



McCloud Community Services District

220 West Minnesota Avenue P.O. Box 640

McCloud, California 96057

Phone (530) 964-2017 Fax (530) 964-3175 e-mail mcsd@ci.mccloudcsd.ca.us

REGULAR MEETING OF THE BOARD OF DIRECTORS

SCOUT HALL - 405 E. COLOMBERO DRIVE

September 25, 2023 6:00 pm

AGENDA

The McCloud Community Services District welcomes you to this meeting. This agenda contains brief general descriptions of each item to be considered at this meeting by the Board of Directors. If you wish to speak on an item on the agenda, you will be provided the opportunity to do so prior to consideration of the item by the Board. If you wish to speak on an item that is not on the agenda, you are welcome to do so during the Public Comment portion of the meeting. Persons addressing the Board will be asked to step up to the podium and will be limited to three minutes or depending on the number of persons wishing to speak, it may be reduced to allow all members of the public the opportunity to address the Board. When addressing the Board, please state your name for the record prior to providing your comments. Please address the board as a whole through the President. Comments to individual Board members or staff are not permitted.

All documentation supporting the items on this agenda are available for public review in the District office, 220 W. Minnesota Avenue, McCloud CA 96057, during normal business hours of 9:00 a.m. to 12noon and 1:00 pm to 4:00 p.m. Monday through Friday.

In compliance with the Americans with Disabilities Act, those requiring accommodations for this meeting should notify the District office 48 hours prior to the meeting at (530) 964-2017.

1. Call to Order

2. Pledge of Allegiance

3. Approval of Minutes: Discussion/action regarding approval of the minutes of the Regular Meeting of September 11, 2023.

4. Announcement of Events:

5. Communications:

6. Reports:

- A. General Manager-No Report.
- B. Finance Officer-No Report.
- C. Fire Chief-No Report.
- D. Public Works Superintendent-No Report.
- E. Directors
- F. Committees

7. Consent Agenda:

- A. Approval of Expenses in the amount of \$37,205.10

8. Old Business:

- A. Discussion/possible action regarding approval of Resolution No. 7, 2023 and the second and final reading of the 2023-24 Budget.

9. New Business:

- A. Discussion/possible action regarding review of the 2022 Audit Draft.

10. Public Comment: This time is provided to receive information from the public regarding issues that **do not** appear on the agenda (persons addressing the Board will be asked to step up to the podium and will be limited to three minutes or depending on the number of persons wishing to speak, it may be reduced to allow all members of the public the opportunity to address the Board).

11 Adjourn

MCSD Mission Statement

McCloud Community Services District will strive to provide the full range of municipal services, at a reasonable cost applied consistently to all customers, while maintaining a healthy infrastructure and environmental integrity.

**MINUTES OF A
REGULAR MEETING OF THE BOARD OF DIRECTORS
September 11, 2023 6:00 pm**

A regular meeting of the Board of Directors of the McCloud Community Services District was called to order at 6:00 p.m. at the Scout Hall. Four Directors (Richey, Hanson, Trent, Mullins, Rorke.) Also present were Eli Jones Public Works Superintendent, District Secretary Sarah Roberts and Finance Officer Jennifer Brunello, and General Manager Amos McAbier was absent.

1. Call to Order

2. Pledge of Allegiance.

3. Approval of Minutes:

A. Discussion/action regarding approval of the minutes of the Regular Meeting of August 28th, 2023.

C. Richey made a motion to approve the minutes of the regular Meeting on August 28th, 2023; motion seconded by J. Mullins; Motion passed with 4 Ayes. (Richey, Hanson, Trent, Mullins.) and 1 abstain (Rorke).

4. Announcement of Events: *Fireman's Ball October 7th, 2023*

5. Communications: *None*

6. Reports:

A. General Manager-*Amos McAbier written report.*

B. Finance Officer- *None.*

C. Fire Chief- *Charlie Miller written report.*

D. Public Works Superintendent-*Eli Jones See written report.*

E. Directors-*None.*

F. Committees-*None.*

7. Consent Agenda:

A. Approval of Expenses in the amount of \$10,780.05.

C. Richey made a motion to approve expenses in the amount of \$10,780.05; motion seconded by M. Rorke. Motion passed with 5 Ayes. (Richey, Hanson, Trent, Mullins, Rorke.)

8. Old Business:

A. Discussion/possible action regarding second reading of Policy No. 1060 Miscellaneous Fee Schedule with Attachment A; Dumpster Rental Agreement and Attachment B; Refuse Rules, with minor changes and corrections.

M. Rorke made a motion to approve the second and final reading of Policy No. 1060 Miscellaneous Fee Schedule with Attachment A; Dumpster Rental Agreement and Attachment B; Refuse Rules, with minor changes and corrections; motion seconded by J. Mullins; Motion passed with 5 Ayes. (Richey, Hanson, Trent, Mullins, Rorke.)

9. New Business:

A. Discussion/action Regarding approval of the first reading of 2023-2024 Budget.

C. Richey made a motion to approve the first reading of 2023-2024 Budget; motion seconded by J. Mullins; Motion passed with 5 Ayes. (Richey, Hanson, Trent, Mullins, Rorke.)

10. Public Comment: This time is provided to receive information from the public regarding issues that **do not** appear on the agenda (persons addressing the Board will be asked to step up to the podium and will be limited to three minutes or depending on the number of persons wishing to speak, it may be reduced to allow all members of the public the opportunity to address the Board).

11. Adjourn. 6:20pm

Michael Hanson/President of the Board

Sarah Roberts/Secretary of the Board

* ... Over spent expenditure

Claim/	Check	Invoice	Vendor #/Name/ #/Inv Date/Description	Document \$/ Line \$	Disc \$	PO #	Fund	Org	Acct	Object	Proj	Cash
11838			1 ACE HARDWARE	100.47								
			District Maintenance Supplies									
			586195 09/20/23 Ant/Roach Killer	7.53		4062	1070		403000	400		101000
			586195 09/20/23 Wasp/Hornet Killer	7.53		4062	1070		403000	400		101000
			586195 09/20/23 Chain Proof	26.82		4062	3000		403000	400		101000
			586195 09/20/23 Line Trimer 1/4th \$26.86	6.72		4062	1070		403000	400		101000
			586195 09/20/23 Line Trimer 1/4th \$26.86	6.72		4062	1050		403000	400		101000
			586195 09/20/23 Line Trimer 1/4th \$26.86	6.72		4062	2000		403000	400		101000
			586195 09/20/23 Line Trimer 1/4th \$26.86	6.70		4062	3000		403000	400		101000
			586195 09/20/23 Fasteners 1/5th \$31.73	6.35		4062	1010		403000	520		101000
			586195 09/20/23 Fasteners 1/5th \$31.73	6.35		4062	1050		403000	520		101000
			586195 09/20/23 Fasteners 1/5th \$31.73	6.33*		4062	1090		403000	520		101000
			586195 09/20/23 Fasteners 1/5th \$31.73	6.35		4062	2000		403000	520		101000
			586195 09/20/23 Fasteners 1/5th \$31.73	6.33		4062	3000		403000	520		101000
			Total for Vendor:	100.47								
			*** Claim from another period (8/23) ****									
11824			1174 BARTKIEWICZ, KRONICK & SHANAHAN	655.71								
			August 2023 Legal Services									
			Aug2023 09/11/23 Legal Services	240.00*			1070		402000	390		101000
			Aug2023 09/11/23 Legall Services	400.00			1010		402000	390		101000
			Aug2023 09/11/23 Online Legal research-Fund?	15.71			1010		402000	390		101000
			Total for Vendor:	655.71								
11833			10 BAXTER AUTO PARTS	165.72								
			Welding Supplies (missed for payment)									
			1567420784 06/20/23 Welding Supplies	41.43		4068	1050		403000	520		101000
			1567420784 06/20/23 Welding Supplies	41.43*		4068	1090		403000	520		101000
			1567420784 06/20/23 Welding Supplies	41.43		4068	2000		403000	520		101000
			1567420784 06/20/23 Welding Supplies	41.43		4068	3000		403000	520		101000
			Total for Vendor:	165.72								
11825			12 BLACK MOUNTAIN SOFTWARE	10,865.00								
			Annual Service & Support 9/1/23-8/31/24 Utility Billing, ACH, Accounting, Payroll, ACH Direct Deposit, Time Cards Module									
			29541 09/01/23 Annual Service/Support	10,865.00		4067	1010		402000	396		101000
			Total for Vendor:	10,865.00								

* ... Over spent expenditure

Claim/	Check	Invoice #/Inv Date/Description	Vendor #/Name/	Document \$/	Disc \$	PO #	Fund	Org	Acct	Object	Proj	Cash
				Line \$								Account
11835		15 BROOKS COMPLETE AUTO REPAIR INC.		2,461.60								
	Backhoe Tires											
		103142 09/18/23 4 new backhoe tires 1/4th		615.40		4061	1050	403000		520		101000
		103142 09/18/23 4 new backhoe tires 1/4th		615.40*		4061	1090	403000		520		101000
		103142 09/18/23 4 new backhoe tires 1/4th		615.40		4061	2000	403000		520		101000
		103142 09/16/23 4 new backhoe tires 1/4th		615.40		4061	3000	403000		520		101000
		Total for Vendor:		2,461.60								
11829		1147 Dunsmuir Tire Shop		1,196.90								
	New Front Tires, Side Loader											
		25142 09/13/23 Frnt Tires-Side Ldr 29,083mi		1,196.90*		4059	1090	403000		530		101000
		Total for Vendor:		1,196.90								
11811		1271 ELI JONES		580.00								
	Clothing Allowances-Work Pants \$190 limit, Work Boots \$200 limit, Work Jacket \$190 limit											
		09/05/23 Pant, Boots, Jacket Allowances		580.00*		4042	1010	402000		360		101000
		Total for Vendor:		580.00								
11822		71 FIRST BANKCARD - DIRECTORS 2		2,208.17								
	August 2023 Credit Card Activity											
		Staples 08/11/23 Copy paper, Mouse Pad, FlatFi		101.01		0114	1010	403000		410		101000
		Staples 08/11/23 60-gallon Trash Bags		111.52		0114	1070	403000		400		101000
		U.S.P.S. 08/15/23 1,000 Stamped Mailing Envelo		812.50		848206	1010	403000		411		101000
		Staples 08/15/23 Copy Paper & Sticky Notes		27.33		848201	1010	403000		410		101000
		Staples 08/16/23 Report Covers		24.11		848203	1010	403000		410		101000
		Staples 08/15/23 Copy Paper		43.96		4055	1010	403000		410		101000
		Staples 08/18/23 Toilet Paper for Park		158.71		4055	1070	403000		400		101000
		U.S.P.S 08/30/23 large envelope Mailing Cost		3.03		4045	1010	403000		411		101000
		CaSpecDist 09/01/23 Wrkshp-Fin Mgmt Spec Dist		200.00		3976	1010	402000		350		101000
		Staples 09/02/23 Fellowes Prem. Imagelast		40.10		4046	1010	403000		410		101000
		Staples 09/02/23 Chair, Clipboards, CopyPaper		299.77		3975	1010	403000		400		101000
		DOT Cmplnc 09/03/23 DOT Compliance-Scam chg?		199.00		4057	1010	101250				101000
		Staples 09/03/23 C Alkaline Batteries, 12pack		27.98		4050	2000	403000		520		101000
		Award.com 09/06/23 Award Plaque for M Quinn		84.94		4051	1010	402000		392		101000
		fnbo-Dir 2 09/05/23 Late Fee-Credit Requested		39.00		K.A.	1010	101250				101000

* ... Over spent expenditure

Claim/	Check	Invoice #/Inv Date/Description	Vendor #/Name/	Document #/	Disc \$	PO #	Fund Org Acct	Object	Proj	Cash
				Line \$						Account
		fnbo-Dir 2 09/05/23 Interest Charged-Credit Req		35.21		K.A.	1010 101250			101000
		Total for Vendor:		2,208.17						
		*** Claim from another period (8/23) ****								
11821		70 FIRST BANKCARD - DISTRICT CARD		2,033.93						
August	2023	Credit Card activity		482.61		3551	1010 403000	510		101000
		Amazon 08/07/23 Honeywell Air Conditioner		252.00		4056	1010 402000	370		101000
		Sq. Space 08/10/23 MCSD Website Controll for s								
		Ann'lFee								
		Complianc 08/14/23 D.O.T. Tox Screen		50.00		0113	1090 402000	392		101000
		Compliance 08/14/23 D.O.T. Tox Screen		50.00		0113	2000 402000	392		101000
		Compliance 08/14/23 D.O.T. Tox Screen		50.00		0113	3000 402000	392		101000
		Amazon 08/18/23 Cap Membrane Kit		181.44		0100	2000 403000	400		101000
		Microsoft 08/20/23 Microsoft (IT Services)		230.00		MNTHLY	1010 402000	396		101000
		LaQuntaMtr 08/25/23 Lodgint-EE Class B Trainin		638.40*		0096	1090 402000	340		101000
		Amazon 08/31/23 2 White P-Trap Covers		66.32		0099	1070 403000	400		101000
		Amazon 08/31/23 1 White P-Trap Cover		33.16		0099	1010 403000	400		101000
		Total for Vendor:		2,033.93						
		*** Claim from another period (8/23) ****								
		4,804.26								
11832		69 FIRST BANKCARD - FIRE DEPT								
August	2023	Credit Card Activity								
		ARCO 08/08/23 Fuel for Eng 1717-Repair Trip		86.25*		3988	1041 403000	420	20	101000
		Reginato's 08/08/23 Fuel for Eng 1717-Repair T		39.60*		3989	1041 403000	420	20	101000
		AM/PM 08/08/23 Fuel for Eng 1717 Repair Trip		106.62*		3990	1041 403000	420	20	101000
		AM/PM 08/08/23 Fuel for Eng 1717 Repair Trip		131.18*		3987	1041 403000	420	20	101000
		BoundTree 08/11/23 Ambulance Medical Supplies		13.67		4013	1040 403000	400	20	101000
		BoundTree 08/11/23 Ambulance Medical Supplies		100.63		4013	1040 403000	400	20	101000
		Walmart 08/14/23 Office Supplies		56.74		3992	1040 403000	410	20	101000
		BoundTree 08/14/23 Ambulace Medical Supplies		39.47		4015	1040 403000	400	20	101000
		Amazon 08/15/23 Rescue Bags		167.64		815231	1040 403000	400		101000
		USPS 08/15/23 Postage		36.10		815232	1040 403000	411		101000
		AMZN-7/13/ 08/18/23 Refund 1711 Headlamp retu		-85.80			1040 403000	530	20	101000
		Aguililla 08/31/23 Dinner for Crew Traveling		45.90*		831231	1041 402000	340		101000
		Vineyard76 08/31/23 Vehicle Fuel		117.61*		831231	1041 403000	420		101000
		Premier 08/31/23 Roadside Eng 1717 BrkdwN Svc		813.35		831231	1040 403000	530	20	101000
		Wendy's 08/31/23 Dinner for Crew Traveling		26.36*		831231	1041 402000	340		101000
		Chvrn-G.Ps 09/03/23 Vehicle Fuel		77.00*		CHARLI	1041 403000	420		101000
		Motel 101 09/03/23 Wildfire Hotel Stay,Gold Be		1,491.75*		CHARLI	1041 402000	340		101000

* ... Over spent expenditure

Claim/	Check	Invoice #/Name/ Vendor #/Inv Date/Description	Document \$/ Line \$	Disc \$	PO #	Fund Org Acct	Object	Proj	Cash Account
		Amazon 09/04/23 Radio Battery Pack	18.86		94231	1040 403000	400		101000
		Motel 101 09/04/23 WildFire Hotel Stay,GoigBe	1,392.30*		94231	1041 402000	340		101000
		fnbo-Fire 09/07/23 LateFee-Refund Requestd	39.00		K.A.	1040 101250			101000
		fnbo-Fire 09/07/23 Interest-Refund Requested	90.03		K.A.	1040 101250			101000
		Total for Vendor:	4,804.26						
11830		1267 Jennifer Brunello	81.00						
		Employee Dental Reimbursement				1010 401300	270		101000
		PatID12584 09/19/23 Reimb: Cunha, DDS	81.00						
		Total for Vendor:	81.00						
11827		449 KEVIN SHEARER, DDS	500.00						
		Employee Dental				1040 401300	270		101000
		PatID5399 09/06/23 Employee Dental	50.00						
		PatID5399 09/06/23 Employee Dental	10.00			1050 401300	270		101000
		PatID5399 09/06/23 Employee Dental	25.00			1070 401300	270		101000
		PatID5399 09/06/23 Employee Dental	5.00*			1080 401300	270		101000
		PatID5399 09/06/23 Employee Dental	50.00			1090 401300	270		101000
		PatID5399 09/06/23 Employee Dental	135.00			2000 401300	270		101000
		PatID5399 09/06/23 Employee Dental	225.00			3000 401300	270		101000
		Total for Vendor:	500.00						
11828		1295 MICHAEL STASZEL, D.O., P.A.	125.00						
		Fitness for Duty Physical				1070 402000	345		101000
		Acc 36252 09/06/23 Fitness for Duty Physical	125.00*		4065				
		Total for Vendor:	125.00						
11814		1219 Pace Analytical Services LLC	120.44						
		Coliform & E.coli testing				3000 402000	392		101000
		230786928 09/07/23 (2) Coliform & E.coli Testi	120.44						
		Total for Vendor:	120.44						
		*** Claim from another period (8/23) ****							
11813		126 PACIFIC POWER - 007 4 STREET	1,693.59						
		Aug2023 Street Light Power				1060 403000	450		101000
		Aug2023 09/01/23 Street Light Power	1,693.59						
		Total for Vendor:	1,693.59						

* ... Over spent expenditure

Claim/	Check	Invoice #/Inv Date/Description	Vendor #/Name/	Document \$/ Line \$	Disc \$	PO #	Fund	Org	Acct	Object	Proj	Cash Account
11815		1294 PRESBYTERIAN CHURCH Event cancelled-Refund Pavillion Rental received 8/30/23 Requested 09/01/23 Refund Pavillion Rental 8/3		150.00 150.00 150.00		4053	1070		303110			101000
		Total for Vendor:										
11839		140 SDRMA WC reconciliation invoice for 23-24. owe more for WC 74569 09/19/23 WC audited invoice		1,936.47 1,936.47*			1010		401300	280		101000
		Total for Vendor:		1,936.47								
11812		148 SISKIYOU COUNTY GENERAL SERVICES Aug 2023 Dump Fees Aug2023 09/05/23 Dump Fees		4,908.00 4,908.00			1090		405000	710		101000
		Total for Vendor:		4,908.00								
11817		318 SKINNER'S ROADSIDE TRUCK REPAIR Fire Engine 1712 Alternator repair 65317 08/08/23 Eng 1712 Alternator Repair		1,711.49 1,711.49		3970	1040		403000	530		101000
		Total for Vendor:		1,711.49								
11823		169 SOLANOS HOME IMPROVEMENT CNTR Supplies for Public Works		95.44								
		264083 09/08/23 Lithiam Greese		16.37		0108	1090		403000	400		101000
		264083 09/08/23 Slab Concrete Repair		41.71		0108	3000		403000	400		101000
		264083 09/08/23 2x4x4, 2x4x8 Doug Fir		13.56		0108	1050		403000	400		101000
		264083 09/08/23 Less Disc if Paid by 10th		-0.72		0108	3000		403000	400		101000
		321871 09/11/23 Ext. Paint (Cust Prop'y Repair		24.77		4054	1050		403000	400		101000
		321871 09/11/23 Less Disc if Paid by 10th		-0.25		4054	1050		403000	400		101000
		Total for Vendor:		95.44								
11836		1240 VALLEY PACIFIC PETROLEUM Vehicle Fuel 9/1-9/15/23		1,572.47								
		CL23681287 09/15/23 Fire Eng 1712 9/1/23		134.44			1040		403000	420		101000
		CL23681287 09/15/23 Fire WtTahoe 9/5/23 151,77		88.02			1040		403000	430		101000
		CL23681287 09/15/23 Fire WtTahoe 9/11/23 151,9		77.98			1040		403000	430		101000
		CL23681287 09/15/23 F350 9/1/23 72.673mi 1/4th		42.13			1050		403000	430		101000

* ... Over spent expenditure

Claim/	Check	Invoice	Vendor #/Name/ #/Inv Date/Description	Document \$/ Line \$	Disc \$	PO #	Fund	Org	Acct	Object	Proj	Cash Account
	CL23681287	09/15/23	F350 9/1/23 72,673mi 1/4th	42.13			1090		403000	430		101000
	CL23681287	09/15/23	F350 9/1/23 72,673mi 1/4th	42.13			2000		403000	430		101000
	CL23681287	09/15/23	F350 9/1/23 72,673mi 1/4th	42.11			3000		403000	430		101000
	CL23681287	09/15/23	SlvrFord 9/6/23 91,331mi 1	10.44			1050		403000	430		101000
	CL23681287	09/15/23	SlvrFord 9/6/23 91,331mi 1	10.44			1090		403000	430		101000
	CL23681287	09/15/23	SlvrFord 9/6/23 91,331mi 1	10.44			2000		403000	430		101000
	CL23681287	09/15/23	SlvrFord 9/6/23 91,331mi 1	10.44			3000		403000	430		101000
	CL23681287	09/15/23	Park Truck 9/8/23 148,357m	108.02			1070		403000	430		101000
	CL23681287	09/15/23	Fuel for Pre-Mix	5.40			1050		403000	430		101000
	CL23681287	09/15/23	Rear Loader 9/1/23 23,652m	224.73			1090		403000	420		101000
	CL23681287	09/15/23	Rear Loader 9/15/23 23,802	206.06			1090		403000	420		101000
	CL23681287	09/15/23	Side Loader 9/11/23 29,039	223.94			1090		403000	420		101000
	CL23681287	09/15/23	Fire Ddgrm 9/1/23	121.81			1040		403000	430	20	101000
	CL23681287	09/15/23	Medic 17 9/11/23 36,864mi	75.87			1040		403000	420	20	101000
	CL23681287	09/15/23	Fire Squad 1740 9/7/23 11,	95.94			1040		403000	420		101000
			Total for Vendor:	1,572.47								
			*** Claim from another period (8/23) ****									
			416.58									
11819			255 VERIZON WIRELESS - MCSD									
August 2023			Phone & Internet Services									
	9943400204	09/01/23	Phone Services	218.28			1010		402000	320		101000
	9943400204	09/01/23	PWS, ON CALL, GM PHONE	98.25			1010		402000	320		101000
	9943400204	09/01/23	Fire Chief Phone	32.77			1040		402000	320		101000
	9943400204	09/01/23	Ambulance	67.28			1040		402000	320	20	101000
			Total for Vendor:	416.58								
			# of Claims	22								
			# of Vendors	22								
			Total:	38,382.24								

Fund/Account	Amount
1010 GENERAL	
101000 Operating Cash	\$17,108.79
1040 FIRE	
101000 Operating Cash	\$3,745.29
1041 FIRE - FSLA	
101000 Operating Cash	\$3,514.57
1050 ALLEYS	
101000 Operating Cash	\$775.95
1060 LIGHTS	
101000 Operating Cash	\$1,693.59
1070 PARKS	
101000 Operating Cash	\$1,006.35
1080 LIBRARY	
101000 Operating Cash	\$5.00
1090 REFUSE	
101000 Operating Cash	\$8,230.15
2000 SEWER	
101000 Operating Cash	\$1,116.89
3000 WATER	
101000 Operating Cash	\$1,185.66
Total:	\$38,382.24

09/21/23
12:47:17

MCCLOUD COMMUNITY SERVICES DISTRICT
Claim Approval Signature Page
For the Accounting Period: 9 / 23

Page: 8 of 8
Report ID: AP100A

The foregoing claims are approved for payment in the manner provided by Resolution #3, dated November 8, 1965."

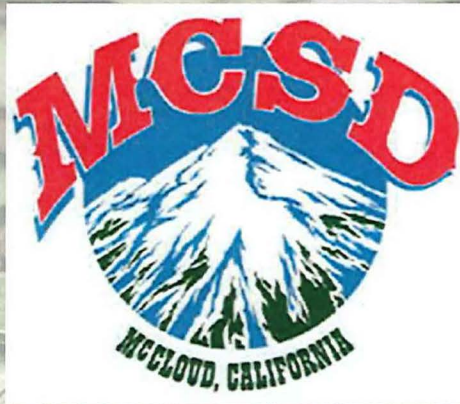
Prepared by: Keith Anderson
Reviewed by: _____

Claims Total: \$37,205.10
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McCloud Community Services District

2023-2024 Fiscal Year Budget Proposal



MCSD Board of Directors

- **Michael Hanson, Board President**
 - **Jim Mullins, Vice President**
 - **Christine Richey, Director**
 - **Michael Rorke, Director**
 - **Mark Trent, Director**
- **Eli Jones, Public Works Superintendent**
 - **Sarah Roberts, District Secretary**
- **Amos McAbier, General Manager**
- **Jennifer Brunello, Finance Officer**



Introduction

The McCloud Community Services District is an independent special district serving the community of McCloud in Siskiyou County, California.

The District consists of 8 full-time employees, 4 part-time employees, and a volunteer Fire Department.

The MCSD was established around 1966-67, after the mill closed.

History of McCloud

In 1965, when the mill owners decided to sell off the “company town” and donate the infrastructure holdings to the community, MCSD was proposed to be the recipient of that donation. The McCloud Community Services District (MCSD) is a special district created for the provision of municipal services within the District boundaries. The District was formed pursuant to an election held within the District on August 24, 1965. Following the successful election, Siskiyou County adopted a resolution establishing the District on September 14, 1965.





MCSD Services

The basic responsibilities of the McCloud Community Services District is to provide water, sewer, refuse, alleys, streetlights, library, park, fire & ambulance services to the community of McCloud within the District boundaries.



MCS D's Mission Statement

McCloud Community Services District will strive to provide the full range of municipal services, at a reasonable cost applied consistently to all customers, while maintaining a healthy infrastructure, environmental integrity and promoting the economic development of our community.

MCS D Funds

List of MCS D Funds

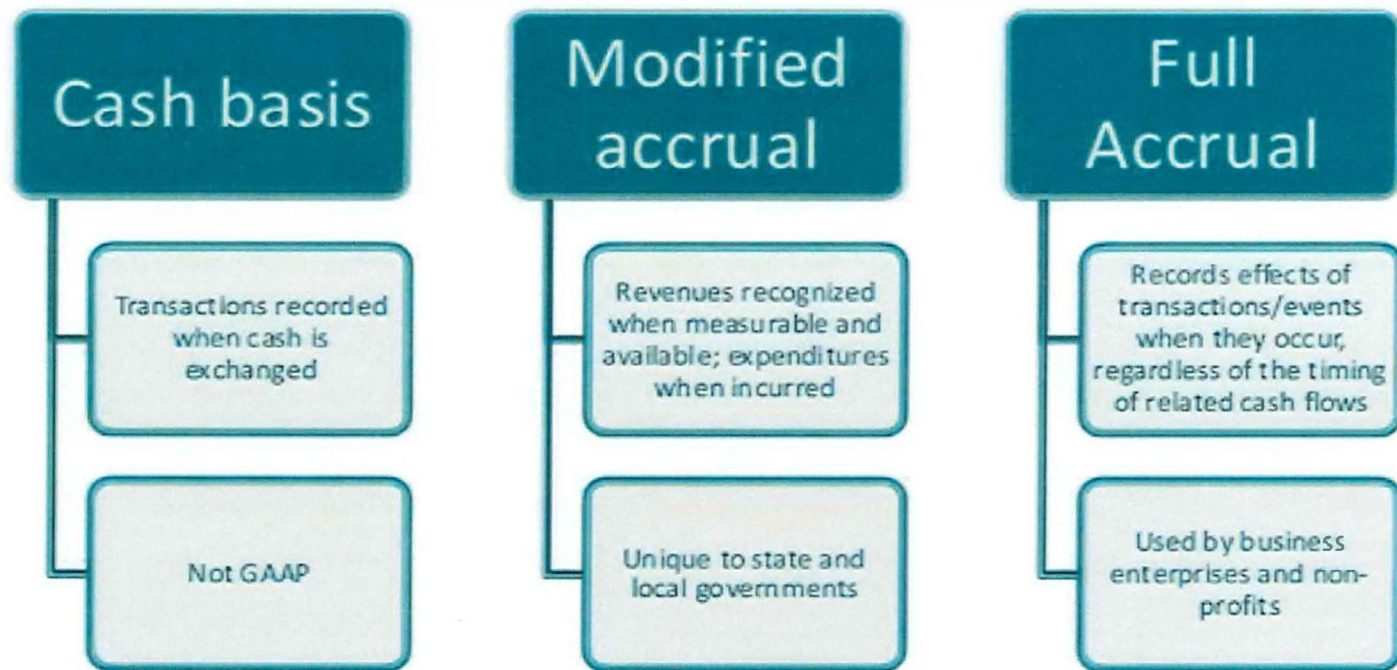
General	1010
Directors	1020
Fire/Strike Team	1040-1041
Alleys	1050
Streetlights	1060
Park	1070
Library	1080
Refuse	1090
Sewer	2000
Water	3000



Fund Structure

According to the Government Finance Officers Association (GFOA), fund accounting is used to meet the reporting objective of providing information as to whether resources were obtained and used in accordance with the budget and other finance related requirements by accounting for financial transactions and balances through several separate funds, each accounting for designated assets, liabilities, and equity. All new funds must be approved by the MCSD Board of Directors. Healthy fund balances are essential to making good long-term decisions for any government organization. Our funds are broken into the following categories: Governmental funds (General, Fire, Alleys, Lights, Park, and Library). Enterprise Funds include Water, Sewer, and Refuse.

Basis of Accounting





Basis of Accounting

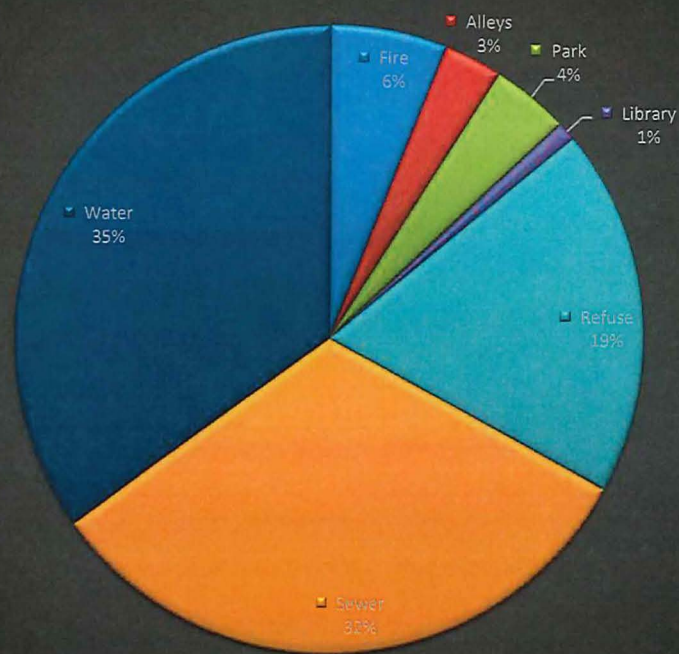
The District's funds are organized into two major categories: Governmental & Proprietary (Enterprise). The major governmental funds are the General fund and the fire fund.

The major Proprietary funds are water, sewer and refuse.

Governmental funds are recorded using the modified accrual basis of accounting, where revenues are recognized when measurable & available. Expenses are recognized when they are incurred, but debt service expenses are recorded when due.

Allocation of Funds

Director's Allocation Percentages
by Fund



Fire Alleys Park Library Refuse Sewer Water



Reserve Policy

- A key component of a financially stable municipality is the adherence to a policy of maintaining an appropriate level of reserves. Establishing a target minimum General Fund reserve is a mechanism that can be used to ensure adequate levels of funds are available to help mitigate current and future risks. A minimum General Fund reserve is considered a prudent and conservative fiscal policy to deal with unforeseen situations.

Reporting Requirements for Reserve Fund Balances

- ❖ **Nonspendable-** Reflects assets not in spendable form, either because they will not convert to cash (prepaid expenses) or must remain intact due to legal or contractual requirements.
- ❖ **Restricted-** Reflects amounts that can be spent only for specific purposes determined by external resource providers (i.e. Grants.)
- ❖ **Committed-** Amounts that can be used only for specific purposes determined by formal action of the Board of Directors (i.e. Set Asides.)
- ❖ **Assigned-** Amounts intended to be used for specific purposes but do not meet criteria to be classified as restricted or committed.
- ❖ **Unassigned-** Represents the residual classification for the General Fund and includes all spendable amounts not contained in other classifications.



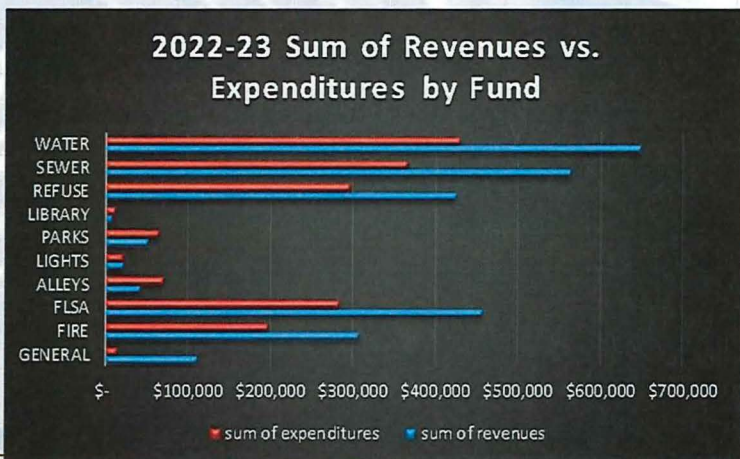
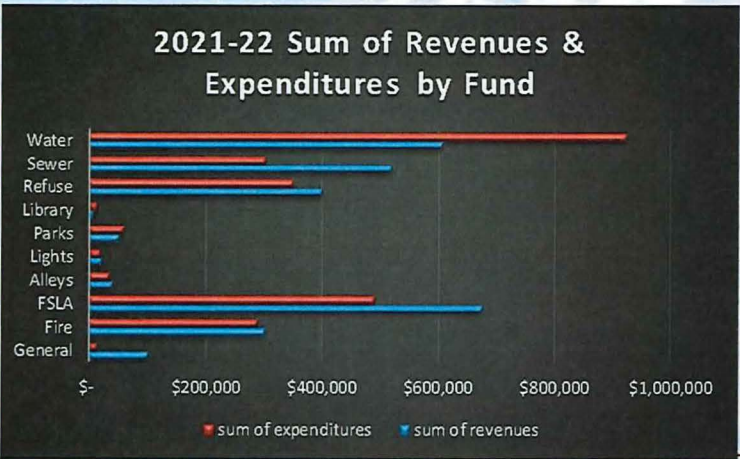
Transmittal

Through the annual budget process, the MCSD ensures the efficient and effective use of economic resources as well as establishes that the highest priorities are accomplished. The budget is expected to keep in mind both the positive and negative events happening within McCloud and how they affect our bottom line. This document gives the District an ability to allocate resources and establish priorities.

The Fiscal Year 2023/24 Budget is respectfully submitted to the Board of Directors and to the residents of McCloud, Ca. This budget represents the community of McCloud's commitment to strong financial management practices and a strategic plan for a sustainable future. This budget document has been a collaboration between the Board of Directors, General Manager, Fire Department, District staff, and members of the community to be used as a tool to identify funding priorities, reflect the needs & desires of the community, and to guide management throughout the year by clearly setting forth goals and objectives for the coming year.


2021-22	General	Fire	FSLA	Alleys	Lights	Parks	Library	Refuse	Sewer	Water	
sum of revenues	\$ 100,695	\$ 300,753	\$ 674,964	\$ 39,550	\$ 19,364	\$ 49,812	\$ 6,928	\$ 398,423	\$ 519,656	\$ 606,278	
sum of expenditures	\$ 12,206	\$ 289,168	\$ 489,150	\$ 34,629	\$ 16,999	\$ 58,207	\$ 11,338	\$ 349,802	\$ 301,661	\$ 922,634	
Difference	\$ 88,489	\$ 11,585	\$ 185,814	\$ 4,921	\$ 2,365	\$ (8,395)	\$ (4,410)	\$ 48,621	\$ 217,995	\$ (316,356)	\$ 230,629

2022-23	1010 GENERAL	1040 FIRE	1041 FLSA	1050 ALLEYS	1060 LIGHTS	1070 PARKS	1080 LIBRARY	1090 REFUSE	2000 SEWER	3000 WATER	Totals/Difference
sum of revenues	\$ 110,147	\$ 307,504	\$ 455,887	\$ 42,020	\$ 20,807	\$ 51,619	\$ 8,125	\$ 423,851	\$ 563,036	\$ 647,505	\$ 2,630,501
sum of expenditures	\$ 13,575	\$ 196,133	\$ 282,680	\$ 70,174	\$ 20,211	\$ 64,395	\$ 11,389	\$ 294,969	\$ 365,192	\$ 428,289	\$ 1,747,007
Difference	\$ 96,572	\$ 111,371	\$ 173,207	\$ (28,154)	\$ 596	\$ (12,776)	\$ (3,264)	\$ 128,882	\$ 197,844	\$ 219,216	\$ 883,494



Sum of Revenues vs. Expenditures for 2021-22 and 2022-23.

*2021-22 large expenditures due to Mud Creek Emergency project last year.



MCS D's Long-Term Debts

- Sewer Series A Loan
- Loan Amount: \$600,000 for refinancing USDA loan with 5 Star Bank
- Rate Structure-Tax Exempt: 3.25% fixed
- Loan & Amortization Term (Months): 180 months
- Maturity Date: 11/01/2036
- Monthly Interest Payment: \$1,489.19
- Monthly Principal Payment: \$2,741.91
- Current Balance: \$515,378.



SEWER SERIES B LOAN

- Loan Amount: \$100,000 to hold for refinancing the SWRCB Loan w/ 5 Star Bank.
- Monthly Principal Payment: \$2,741.91
- Monthly Interest Payment: \$1,489.19
- Current Balance Remaining: \$12,653.80
- This loan will be paid off by December 2023.



MCS D's Long-Term Debts

- **Refuse Debt Service**

- Loan Amount: \$250,000 to refinance 2 refuse trucks.
- Rate Structure-Tax Exempt: 3% fixed
- Loan & Amortization Term (Months): 48 months
- Monthly Payment: \$5096.74
- YTD Principal Paid: \$55,906.77
- YTD Interest Paid: \$5,254.11
- Current Balance: \$137,575.84

MCS D's Debts

Fire Fund Debt Service

Line of Credit for Strike Team to pay employees prior to reimbursement from state of CA.

Amount: \$600,000

Used: \$0

Available: \$600,000.



OPEB (Other Post-Employment Benefits)

- The California Employers' Retiree Benefit Trust (CERBT) Fund is a Section 115 trust fund dedicated to prefunding Other Post-Employment Benefits (OPEB) for all eligible California public agencies. Even those not contracted with CalPERS health benefits can prefund future retiree benefits such as health, vision, dental, and life insurance.
- By joining this trust fund, California public agencies can help finance future costs in large part from investment earnings provided by CalPERS. Since its launch in 2007, more than 575 California public employers choose CERBT as their OPEB trust fund.



CEPPT

- The California Employers' Pension Prefunding Trust (CEPPT) Fund is a Section 115 trust fund dedicated to prefunding employer contributions to defined benefit pension systems for eligible California public agencies. Even those not contracted with CalPERS are potentially eligible to participate.
- By joining this trust fund, California public agencies can help finance future costs in large part from investment earnings provided by CalPERS. Since its launch in 2019, more than 75 California public employers choose CEPPT as their pension contribution prefunding trust fund.



Why prefund the CERBT & CEPPT Accounts?

- Prefunding allows you to enjoy the following benefits:
- Generate investment income from employer-controlled contributions to pay for required pension contributions
- Reduce future employer cash flow requirements and budget dependency with investment income
- May help employers during lean financial times to offset pension cost.

General Fund (1010)

Account	Object	REVENUE				Budget Assumptions 2023-24	
		Prior YTD 2021-22	2022-23 Unaudited Actuals	2022-23 Budget	2023-2024 Proposed Budget		
301100-301155		Property Taxes (including delinquent)	\$ 93,226	\$ 102,801	\$ 78,000	\$ 93,015	Property taxes combined includes delinquent taxes, secured & unsecured, timber yld tax, 58813 taxes current & delinquent.2022-23 budget only included current secured property tax.
304110		Other Income	\$ 3,916	\$ 1,364		\$ 1,500	Conference reimbursements, Pacific Power Climate credits.
302220		Laminat. copies & fax services income (previously Miscellaneous)	\$ 2,562	\$ 65		\$ 100	
304160		Health insurance collected from employees		\$ 14,585		\$ 15,000	5 employees w/ 1 dependent are paying \$112.19 per pay period, a total of \$14,584.70 per year to district for health insurance.
		Interest Income *	\$ 908	\$ 6,068	\$ 4,767	\$ 9,180	*9% of the \$117,019 + we currently receive for interest income.
		TOTAL REVENUE	\$ 100,612	\$ 124,883	\$ 82,767	\$ 118,795	
		Employee Costs:					Anticipated expenses of \$88693 l. to be allocated across all funds.
401100	110-140	EXPENSES Salaries	\$ 245,184	\$ 247,387	\$ 247,387	\$ 250,555	
401200	210-240	Payroll Taxes (SDI, FIT, SIT, UI, SS)	\$ 21,061	\$ 22,089	\$ 22,089	\$ 22,089	
	230	PERS	\$ 15,625	\$ 15,625	\$ 15,625	\$ 19,452	PERS employer rates have increased from 10.8% to 10.85% and 7.68% to 7.75% are expected to increase by 10% next year.
401300	270	Group Health-Active	\$ 137,783	\$ 83,780	\$ 83,780	\$ 145,000	8 active employees @ 11,481.95/mo.= \$137783 annually. 2 new employees accounts for the differences last year.
	275	Group Health-Retired	\$ 172,002	\$ 251,924	\$ 251,924	\$ 251,924	14 retirees @ 11,264.64 = \$135,175.68 annually + a 15% increase for retirees payment. 1 new retiree will increase amount.
	280	Worker's Comp	\$ 7,314	\$ 2,463	\$ 2,463	\$ 6,500	
		Other Costs Total Employee Costs	\$ -	\$ 598,969	\$ 623,268	\$ 695,520	
402000	310	Insurance	\$ 34,762	\$ 39,266	\$ 49,019	\$ 53,430	10% increase in all insurance costs for 2023-24.
	320	Telephone	\$ 7,155	\$ 7,547	\$ 6,800	\$ 8,000	Verizon & Vyvc internet, phone & cell sve for fire dept. & Distric Office.
	330	Publications	\$ 78	\$ 45	\$ 50	\$ 50	Mt. Shasta Area News Subscription.
	340	Travel	\$ 35	\$ 502	\$ 800	\$ 1,000	Increased to allow for travel for training/oduction.
	345	Hiring	\$ 394	\$ 2,313	\$ 400	\$ 1,500	
	350	Training		\$ 2,841	\$ 6,000	\$ 5,000	
	360	Uniforms	\$ 962	\$ 389	\$ 500	\$ 400	
	365	Safety	\$ 366	\$ 514	\$ 300	\$ 600	
	370	Memberships	\$ 4,796	\$ 5,097	\$ 5,000	\$ 5,100	KRM annual membership & fecs. DOT biennial registration
	385	Operating Lease	\$ 4,132	\$ 5,800	\$ 5,800	\$ 5,800	
	390	Attorney	\$ 29,317	\$ 7,002	\$ 16,000	\$ 10,000	
	391	Accountant (Auditor, Actuarial reports)	\$ 26,500	\$ 8,500	\$ 22,000	\$ 16,000	Paid 26,250 last year (2022) to auditors. Owe 11,750 next year. Actuarials 3500.
	392	Professional Services	\$ 1,539	\$ 624	\$ 8,000	\$ 800	
	396	IT Services	\$ 20,325	\$ 22,044	\$ 13,000	\$ 22,100	IT plans to raise prices from \$800/mo. To \$1200/mo.Includes Microsoft 230/mo.and websic platform & ENPLAN.
	398	Election Expense		\$ 2,045	\$ -	\$ 2,045	
		Total Other Costs	\$ 130,361	\$ 104,529	\$ 133,669	\$ 131,825	
		Supplies/Maintenance/Hardware					
403000	400	Supplies	\$ 758	\$ 7,052	\$ 900	\$ 1,200	Base rock for storage container, nameplates, 100 bags of icemelt, last yr. high due to tool purchase not being split yet.
	410	Office Supplies	\$ 9,000	\$ 11,558	\$ 9,000	\$ 11,560	Laminat pouches, new laminator, paper, staples, binder clips, binders, trash bags, tape, copier lease costs.
	411	Postage/Delivery	\$ 3,491	\$ 3,904	\$ 3,600	\$ 4,000	
	412	Computer/IT Supplies	\$ 926	\$ 965	\$ 1,000	\$ 1,000	Adobe Service monthly charges.
	415	Janitorial Supplies	\$ 60	\$ 464	\$ 1,000	\$ 1,000	Lysol, Drano, office bathroom faucet, plumbing parts, blinds.
	420	Diesel	\$ 3,174	\$ 331	\$ 5,000	\$ 500	
	430	Fuel	\$ 2,627	\$ 59	\$ 4,000	\$ 500	Fuel is designated to specific funds usually so in general it is lower.
	440	Heating Fuel	\$ 4,325	\$ 5,125	\$ 6,000	\$ 6,000	
	450	Power	\$ 2,510	\$ 2,688	\$ 3,400	\$ 3,000	
	510	Building		\$ 5,021	\$ 1,000	\$ 1,000	Last year's actual amount was for the storage container purchased for office.
	520	Equipment Maintenance	\$ 2,640	\$ 2,128	\$ 3,000	\$ 2,500	Fuses, bar oil, fittings, security cams, hose.
	530	Vehicle Maintenance	\$ 730	\$ 74	\$ 800	\$ 800	tire sealer slime, oil pickup & disposal.
		Total	\$ 30,241	\$ 39,369	\$ 38,700	\$ 33,060	
		Miscellaneous Costs					
		Service Fees	\$ 1,606	\$ 1,460		\$ 1,500	D.O.T Compliance fecs, bank fecs, dmv fecs.
405000	710	Fees/Permits	\$ 409	\$ 398	\$ 600	\$ 400	Service/finance charges, hazardous material fecs
	740	Property Tax	\$ 126	\$ 126	\$ 126	\$ 126	
		Total Miscellaneous Costs	\$ 535	\$ 524	\$ 726	\$ 526	
		Debt Service					
404000	620	Debt Administration				\$ -	
		Interest Expense					
		Admin Fees					
		Total Debt Service					
		Total Operating Expenses	\$ 161,137	\$ 743,391	\$ 796,363	\$ 860,931	
		Over/Under from Operations	\$ (60,525)	\$ (618,508)	\$ (713,596)	\$ (742,136)	
405000	799	General/Directors Allocation	\$ (326,788)	\$ (480,900)	\$ (850,004)	\$ (882,431)	This is the total of general fund and director's fund operating expenses, and is allocated to all other funds.
		Net Income/Loss	\$ 266,263	\$ 137,305	\$ 136,408	\$ 140,295	
		Reserves/Capital Outlay					
		Reserve Allocation to Asset Replacement	\$ 9,453				
		Board-Approved Allocations					
		Committed (Rate Study Annual Reserve)					
		CERBT/CEPPT	\$ 133,000				
		Emergency Capital Reserves	\$ 120,000				
		Contingency Cash Reserves	\$ 62,400				
		TOTAL RESERVE ASSIGNMENTS	\$ 324,853				

Director's Fund (1020)

			2022-23 Unaudited Actuals	2022-23 Budget	2023 -24 Budget
Expenses					
401000	110	Salaries	\$ 9,098		\$ 13,500
401200	210-240	Payroll Taxes	\$ 769		\$ 400
401300	280	Worker's Comp	\$ 87		\$ 100
		Total	\$ 9,954	\$ -	\$ 14,000
403000					
	400	Supplies	\$ 127	\$ -	\$ 100
402000	340	Travel		\$ 500	\$ 500
	350	Training	\$ -	\$ 2,000	\$ 1,000
		Total	\$ 127	\$ 2,500	\$ 1,600
		Total Operating Expenses	\$ 10,081	\$ 2,500	\$ 15,600

Fire & Strike Team (1040 & 1041)

Revenue			Prior YTD 21-22	2022-23 Unaudited Actuals	2022-23 Budget	2023-24 Proposed Budget	Strike Team	2023-24 Budget Assumptions
Account	Object							
301100		Tax Revenue	\$ 124,676	\$ 122,114	\$ 123,378	\$ 123,378		Anticipated revenue of \$300137 includes tax revenue, CSA 3, ambulance, ZIB Contract, and interest income.
304120		Ambulance	\$ 93,912	\$ 117,738	\$ 98,000	\$ 100,000		
304100		Donations	\$ 50,929	\$ 8,385	\$ 114,000	\$ 10,000		Previously was 60k strike team, 24k CSA3, 17k RFC, 23k gifts. Now it is donations only.
304110		Other Income	\$ 29,632	\$ 40,987	\$ 30,000	\$ 61,500	\$ 454,300	includes 30,000 ZIB, CSA3 31,500.
304160	9.45%	Interest Income*	\$ 988	\$ 7,299	\$ 5,267	\$ 11,058		Interest income was calculated as 9.45% of the annual \$117,019 we currently are earning on LAIF reserve account.
		Total Revenue	\$ 300,137	\$ 750,823	\$ 370,645	\$ 305,936	\$ 454,300	
401100	110-140	Expenses						
		Salaries	\$ 59,188	\$ 42,256	\$ 86,869	\$ 205,604	231213 *	Includes payroll expenses for strike team and 2 new full-time Paramedics wages and R&R Coordinator's salary.
401200	210-240	Payroll Taxes	\$ 5,514	\$ 4,046	\$ 7,595	\$ 17,473	\$ 17,688	* Strike Team payroll expense.
401300	270	Employee Health Benefits	\$ 7,140	\$ 4,310	\$ 20,578	\$ 58,499		payroll taxes & health benefits increased 2 new full paramedics.
	280	Worker's Comp	\$ 4,819	\$ 5,570	\$ 16,463	\$ 19,409		WC rates of 5.92 per \$100 of payroll for firefighters/Chiefs and \$341.34 per volunteer for 18 volunteers. + 7600 for 2 new paramedics.
401200	230	PERS	\$ 3,260	\$ 2,139	\$ 4,442	\$ 18,036		Total 30,122 split among all funds. Increase due to 2 new F/T Paramedics.
		Total	\$ 79,921	\$ 58,321	\$ 135,947	\$ 319,021	\$ 17,688	
		Other Costs	Prior YTD 2021-22	2022-23 Actuals	2022-23 Budget	2023-24 Budget		
402000	310	Insurance	\$ 12,774	\$ 12,774	\$ 10,982	\$ 14,052		Insurance rates expected to increase by 5 to 10% for the 2023-24 year.
	320	Travel	\$ 150	\$ 580	\$ 1,034	\$ 1,034		
	345	Hiring	\$ 1,279	\$ 1,752	\$ 1,600	\$ 2,000		
	320	Telephone/Cell Phones	\$ 2,479	\$ 2,885	\$ 3,800	\$ 3,800		Verizon & Vycv business phone and cell phones.
	350	Training	\$ 4,688	\$ 2,091	\$ 11,073	\$ 8,000		
	360	Uniforms	\$ 7,818	\$ 1,470	\$ 2,200	\$ 2,200		
	365	Safety	\$ 1,014	\$ 218	\$ 1,000	\$ 500		
	370	Memberships	\$ 124	\$ 500	\$ 800	\$ 500		
	380	Volunteer Reimbursements	\$ 5,013	\$ 10,776	\$ 118,400	\$ 12,000		Adjusted ambulance plan. FD points in SAFER Budget and decreased needed ambulance stipends now w/ full paramedics.
	390	Attorney	\$ 725	\$ -	\$ 2,000	\$ 1,000		
	392	Professional Services-Ambulance	\$ 2,872	\$ 8,142	\$ 11,480	\$ 10,000		
	394	Professional Services	\$ 7,868	\$ 7,052	\$ 8,000	\$ 8,000		
	396	IT (Information Technologies)	\$ 793	\$ 124	\$ 3,500	\$ 3,500		Split among all funds. IT prices going up from 800 to 1200 per month. Looking into why actual # this year is so low. It should be \$1322, 6% of general fund actual
	397	Advertising	\$ -	\$ 160	\$ 6,900	\$ 500		
		Total	\$ 47,597	\$ 48,524	\$ 182,769	\$ 67,086		
403000	400	Supplies	\$ 27,293	\$ 39,864	\$ 55,241	\$ 55,241		strike team supply expense \$26,388. Fire & ambulance supplies= \$15000.
	420	Diesel	\$ 6,805	\$ 7,355	\$ 9,200	\$ 8,000		
	430	Fuel	\$ 7,051	\$ 6,246	\$ 6,900	\$ 7,200		
	440	Heating Fuel	\$ 6,240	\$ 11,437	\$ 6,600	\$ 15,000		
	450	Power	\$ 3,657	\$ 4,789	\$ 4,500	\$ 4,800		
	510	Building	\$ 1,568	\$ 2,210	\$ 2,500	\$ 2,500		
	520-530	Equipment & Vehicle Maintenance	\$ 13,267	\$ 11,005	\$ 19,700	\$ 20,000		
		Total	\$ 65,881	\$ 82,906	\$ 104,641	\$ 112,741		
405000	710	Fees/Permits	\$ 1,255	\$ 2,567	\$ 1,600	\$ 3,000		
	740	Property Tax	\$ 63	\$ 63	\$ 70	\$ 70		
		Total	\$ 1,318	\$ 2,630	\$ 1,670	\$ 3,070		
406000	830	Capital Outlay						
		Principal						
		Interest Expense						
521000	896	Reserve Transfers from Fund						
		Total Debt Service		\$ -	\$ -	\$ -		
		Total Operating Expenses	\$ 194,717	\$ 210,069	\$ 425,027	\$ 501,918	\$ 17,688	strike team expenses included.
		Over/Under from Operations	\$ 105,420	\$ 540,754	\$ (54,382)	\$ (195,982)		
		General/Directors Allocation	\$ 44,206	\$ 29,459	\$ 52,750	\$ 52,946		6% of \$882431 (General/Director's funds operating expenses.)
		Net Income/Loss	\$ 61,214	\$ 511,295	\$ 92,868	\$ (48,928)		includes 2022-23 strike team revenue & expenses.
		Add \$200,000 withdrawal from reserves				\$ 200,000		Using reserve money from strike team revenue last yr. to pay for 2 new paramedics for year.
	Reserves	Total Existing Reserves	\$ 340,573					
		Contingency Cash Reserves						
		Contingency Capital Reserves						
		Ambulance Fund	\$ 60,313					
		Strike Team Equipment Repair	\$ 30,396					
		S.T. Future Wages	\$ 151,981.00					
		Total Existing Reserves	\$ 242,690					
		Less: Accumulated Reserves						
		Allocated for asset Replacement	\$ 97,883					

		Alleys Fund (1050)			
Revenue		2022-23 Unaudited Actuals	2022-23 Budget	2023 -24 Proposed Budget	2023-24 Budget Assumptions
Account	Object				
302100	Utility Fees	\$ 39,720	\$ 40,710	\$ 40,710	Anticipated revenues of \$45,429 includes utility fees, interest income based on 3.99% of the \$117019 that we are earning annually in interest on LAIF reserves.
304160	Interest*	\$ 2,252	\$ 1,443	\$ 4,669	3.99% of the interest earned on LAIF reserves.
	Donations/OtherIncome	\$ 50		\$ 50	
	Total Revenue	\$ 42,022	\$ 42,153	\$ 45,429	
Expenses					
401100	110	\$ 26,742	\$ 14,771	\$ 27,000	Increased due to last year's large storm and extra plowing needs to pay O/T & on-call, etc.
	230	\$ 1,699	\$ 1,062	\$ 1,879	PERS keeps increasing by 10% annually.
	220-240	\$ 2,370	\$ 1,278	\$ 2,500	Increased for extra s payroll if there is a lot of snow.
401300	270	\$ 4,272	\$ 5,679	\$ 6,352	Increased to allow for health insurance increases.
	280	\$ 1,563	\$ 1,168	\$ 1,760	\$1345 payroll, + 3% of 7314 from general fund + 10% increase likely=1760.
	Total Employee Costs	\$ 36,646	\$ 23,958	\$ 39,491	
402000	310	\$ 3,435	\$ 2,200	\$ 4,000	Increased to cover possible claims/damages from plowing.
	360	\$ 302	\$ 200	\$ 300	
	365	\$ -	\$ 300	\$ 400	Increased to allow employees to buy safety items (i.e. non-slip shoes, chains for shoes, etc.
	Total Other Costs	\$ 3,737	\$ 2,700	\$ 4,700	
403000	400	\$ 2,588	\$ 5,000	\$ 2,500	Tree loppers & oil, gate locks, blacktop patch, lumber for repairs, gloves, etc.
	420	\$ 5,109	\$ 3,000	\$ 6,000	
	430	\$ 1,339	\$ 2,000	\$ 1,500	
	510	\$ -	\$ 5,500	\$ 6,000	Increased for purchase of alley gravel.
	520	\$ 3,781	\$ 2,000	\$ 3,800	Bolts for snowplowing equip., backhoe repairs, pins, drill bits for snowplow repairs, epoxy for loader, JD 410G steering repair.
	530	\$ 2,219	\$ 800	\$ 2,300	
	Total Supplies,Maintenance, Hardware	\$ 15,036	\$ 18,300	\$ 22,100	
	Total Operating Expenses	\$ 55,419	\$ 44,958	\$ 66,291	
405000	799	\$ (13,397)	\$ (2,805)	\$ (20,862)	
	General Fund/Directors Allocation	\$ 14,730	\$ 25,540	\$ 26,473	3% of the \$882431 for General/Director's Allocation.
	added from Reserves	\$ 15,000			
	Net Income/Loss	\$ (13,397)	\$ (2,805)	\$ (32,335)	
	Net Income/Loss after G & D split	\$ (28,127)	\$ (28,345)	\$ (47,335)	
	Reserves				
	Winter Storm Disaster Fund	\$ 34,068			
	Allocated Reserves for Asset Replacement	\$ 109,777			
	Total Reserves	\$ 143,845			

Street Lights Fund

Revenue		2021-22	2022-23	2022-23	2023 -24
Account	Object	Actual YTD	UnauditedA	Budget	Budget
			ctuals		
302100	Utility Fees	\$ 18,517	\$ 18,350	\$ 19,408	\$ 18,500
	Total Revenue	\$ 18,517	\$ 18,350	\$ 19,408	\$ 18,500
Expenses					
403000	450 Power	\$ 16,960	\$ 18,537	\$ 18,000	\$ 18,500
	Net Income/Loss	\$ 1,557	\$ (187)	\$ 1,408	\$ -

Park Fund (1070)

		2022-23 Unaudited Actuals	2022-23 Budget	2023 -24 Proposed Budget	
Revenue					
301100	Tax Revenue	\$ 46,020	\$ 50,586	\$ 50,586	
303100	Rent-Scout Hall	\$ 2,878	\$ -	\$ 2,900	
303110	Rent-Concessions	\$ 175	\$ -	\$ 175	
303120	Rent-Park	\$ 815	\$ -	\$ 815	
304110	Other Income/Donations	\$ 258	\$ 4,000	\$ 250	
2.47%	304160 Interest*	\$ 1,499	\$ 1,160	\$ 2,890	2.47% of the 117,019 we currently receive annually on reserves interest.
117019	Total Revenue	<u>\$ 51,645</u>	<u>\$ 55,746</u>	<u>\$ 57,616</u>	
Expenses					
401100	110 Salaries	\$ 21,708	\$ 23,006	\$ 35,328	4% of general fund =10,022+ P/T park employee's salary= \$25,306.
401300	210-240 Payroll Taxes	\$ 2,462	\$ 2,263	\$ 3,000	
	Worker's Comp	\$ 3,507	\$ 1,995	\$ 4,000	
	270 Group Health Benefits-Active	\$ 5,208	\$ 2,779	\$ 5,500	
	230 PERS	\$ 733	\$ 525	\$ 854	
	Total Payroll Expense	<u>\$ 33,618</u>	<u>\$ 30,568</u>	<u>\$ 48,682</u>	
402000					
	310 Insurance	\$ 3,384	\$ 4,388	\$ 4,000	
	360 Uniforms	\$ -	\$ 200	\$ 100	
	365 Safety	\$ 42	\$ 300	\$ 100	
	Total Other Costs	<u>\$ 3,426</u>	<u>\$ 4,888</u>	<u>\$ 4,200</u>	
403000					
	400 Supplies	\$ 432	\$ 1,100	\$ 2,000	Increased to allow for purchase of sprinklers and time clocks.
	415 Janitorial Supplies	\$ -	\$ 1,000	\$ 500	
	430 Fuel	\$ 449	\$ 800	\$ 700	
	440 Heating Fuel	\$ 2,813	\$ 2,200	\$ 3,000	
	450 Power	\$ 1,099	\$ 1,200	\$ 1,100	
	510 Building	\$ 385	\$ 800	\$ 800	
	520-530 Equipment & Vehicle Maintenance	\$ 550	\$ 500	\$ 550	
	Total	<u>\$ 5,728</u>	<u>\$ 7,600</u>	<u>\$ 8,650</u>	
405000					
	740 Property Tax	\$ 95	\$ 180	\$ 100	
	Total	<u>\$ 95</u>	<u>\$ 180</u>	<u>\$ 100</u>	
	Total Operating Expenses	<u>\$ 42,867</u>	<u>\$ 43,236</u>	<u>\$ 61,632</u>	
	Over/Under from Operations	<u>\$ 8,778</u>	<u>\$ 12,510</u>	<u>\$ (4,016)</u>	
405000	799 General/Director's Allocation	\$ 19,640	\$ 34,053	\$ 35,297	4% of the General/Director's allocation of \$882431.
	Net Income/Loss	<u>\$ 23,227</u>	<u>\$ 9,183</u>	<u>\$ 26,335</u>	
	Net Income/Loss After G & D Split	<u>\$ (10,862)</u>	<u>\$ (21,543)</u>	<u>\$ (39,313)</u>	
Reserves					
	Emergency Capital Reserves	\$ 10,000			
	Contingency Cash Reserves	\$ 10,000			
	Total RCAC Reserves	\$ 20,000			
	Reserves as of 07-30-23	\$ 89,037			
	Less: Accumulated Reserves	\$ 20,000			
	Reserves Allocated for Asset Replacement	<u>\$ 69,037</u>			

Library Fund (1080)

Account	Object		2022-23 Unaudited Actuals	2022-23 Budget	2023 -24 Proposed Budget	
Revenue						
301100		301100 Tax Revenue	\$ 6,613	\$ 6,706	\$ 6,706	
304100		304110 Other Income/Donations	\$ 1,449	\$ 1,000	\$ 1,500	
304160	0.093	304160 Interest*	\$ 63	\$ 49	\$ 1,088	Based on percent of the interest earned from reserves/LAIF account.
		Total Revenue	\$ 8,125	\$ 7,755	\$ 9,294	
Expenses						
40110	110	Salaries	\$ 1,844	\$ 3,249	\$ 2,569	No longer pay library salary. \$63 payroll, +1% of general=2568.55.
402000	310	Insurance	\$ 283	\$ 394	\$ 350	
		Total	\$ 2,127	\$ 3,643	\$ 2,919	
403000	400	Supplies	\$ 24	\$ -	\$ 25	
	410	Office Supplies	\$ 92	\$ -	\$ 100	
	440	Heating Fuel	\$ 1,472	\$ 800	\$ 1,600	
	450	Power	\$ 1,065	\$ 1,200	\$ 1,400	
	510	Building	\$ 89	\$ 2,000	\$ 500	
		Total	\$ 5,152	\$ 8,037	\$ 6,894	
		Total Operating Expenses	\$ 7,279	\$ 11,680	\$ 9,813	
405000	799	Over/Under from Operations	\$ 846	\$ (3,925)	\$ (519)	
		General/Director's Allocation	\$ 4,910	\$ 8,503	\$ 8,824	1% of \$882431 for General/Director's Allocation.
		Net Income/Loss	\$ 846	\$ 11,680	\$ 9,813	
		Net income/Loss after G & D Split	\$ (4,064)	\$ (12,428)	\$ (9,343)	
		Asset Reserves	\$ 3,345			

Refuse Fund (1090)						
Account	Object			2022-23 Unaudited Actuals	2022-23 Budget	2023-24 Proposed Budget
Revenue						
302100		2.90%	Utility Fees	\$ 414,863	\$ 410,526	\$ 422,431
302150			Solid Waste-Extra Refuse	\$ 2,106	\$ -	\$ 2,106
302160			Green Waste	\$ 4,422	\$ -	\$ 4,500
304160			Interest*	\$ 2,442	\$ 1,015	\$ 6,834
			Total Revenue	\$ 423,833	\$ 411,541	\$ 435,871
			Expenses			after Funds split
401100	110-140		Salaries	\$ 46,585	\$ 45,840	\$ 54,564
401200	211-240		Payroll Taxes	\$ 4,002	\$ 5,201	\$ 7,922
	280		Worker's Comp	\$ 2,882	\$ 4,125	\$ 4,362
	270		Group Health Benefits-Active	\$ 25,030	\$ 17,663	\$ 26,282
	230		PERS	\$ 3,445	\$ 3,290	\$ 6,415
			Total Personnel Costs	\$ 81,944	\$ 76,119	\$ 96,641
402000	310		Insurance	\$ 9,011	\$ 4,200	\$ 9,020
	340		Travel	\$ 37	\$ 500	\$ 2,000
	345		Hiring	\$ 147	\$ 150	\$ 150
	350		Training	\$ 61	\$ 3,000	\$ 5,500
	360		Uniforms	\$ 302	\$ 300	\$ 300
	365		Safety	\$ 309	\$ 400	\$ 500
	392		Professional Services	\$ 172	\$ 600	\$ 300
			Total Other Costs	\$ 10,039	\$ 9,150	\$ 17,770
403000	400		Supplies	\$ 1,340	\$ 800	\$ 13,000
	420		Diesel	\$ 12,253	\$ 13,800	\$ 13,800
	430		Fuel	\$ 1,791	\$ 700	\$ 1,800
	520		Equipment Maintenance	\$ 3,751	\$ 6,000	\$ 6,000
	530		Vehicle Maintenance	\$ 4,929	\$ 1,800	\$ 5,000
			Total Supplies/Maintenance/Hardware	\$ 24,064	\$ 23,100	\$ 39,600
405000	710		Fees/Permits	\$ 45,786	\$ 52,000	\$ 52,000
			Total	\$ 45,786	\$ 52,000	\$ 52,000
Debt Service						
404000	615		Principal	\$ 55,907	\$ 61,161	\$ 55,907
			Interest Expense	\$ 5,254		\$ 5,254
			Total Debt Service	\$ 61,161	\$ 61,161	\$ 61,161
			Total Operating Expenses	\$ 222,994	\$ 221,530	\$ 267,172
			Over/Under from Operations	\$ 200,839	\$ 190,011	\$ 168,699
405000	799		General/Director's Allocation	\$ 139,074	\$ 161,753	\$ 168,517
			Net Income/Loss	\$ 83,920	\$ 59,777	\$ 98,655
Reserves			Committed Rate Study Reserves			\$ 23,364
			Operating Reserves 5 yr. plan			
			Emergency Capital Reserves			
			Contingency Cash Reserves			\$ 80,000
			Total RCAC Reserves			\$ 103,364
			Reserve Value as of 7-30-23			\$ 210,680
			Reserves Allocated to Asset Replacement			\$ 107,316

Assumptions

Utility fees rate increase by 2.9% in January 2024

Interest income is 5.84% of the \$117019 we currently earn on LAIF Account.

5% raises through 2023-2025. 70% of refuse Operator's salary=39612.30 + 19% of General fund salaries=47606.Total=87218.

*Difference between 2022-23 budget is due to the split between all funds and 19% allocation to the refuse fund.

Medical insurance keeps rising every year around 5-10%.

Employer rates continue to rise every year by 5-10%.19% of general fund PERS=2970.

Increased for continuing 10-20% increases in all insurance rates.

Commercial Driver's license related travels.

Increased for driver's license training expenses.

Increased for extra safety related items.

increased for purchase of new 2 yd. dumpsters. Last year's greenwaste signs (\$925).

Increased for lids for new dumpsters.Last yr. actuals: gloves, backhoe tire repairs, parts for refuse carts, weld supplies, shop grease.

Backhoe fittings, oil & fuel filters, tire service, chain tighteners, tire mounting & bal, hydraulic oil, etc.

Dump fees, D.O.T. Compliance fees.

19% of allocation of \$882431.

Sewer Fund

Revenue		2022-23 Unaudited Actuals	2022-23 Budget	2023-24 Budget
Account	Object			
302100	1.80%	Utility Fees	\$ 534,740	\$ 555,400
302120		Connection Fees	\$ 4,950	\$ -
304160		Interest*	\$ 23,327	\$ 15,486
		Total Revenue	\$ 563,017	\$ 606,760
Expenses				
401100	110-140	Salaries	\$ 54,428	\$ 44,217
	230	PERS	\$ 4,728	\$ 2,172
401200	210-240	Payroll Taxes	\$ 3,385	\$ 2,858
401300	280	Worker's Comp	\$ 3,727	\$ 2,615
	270	Group Health Benefits-Active	\$ 15,135	\$ 11,615
		Total Employee Costs	\$ 81,403	\$ 63,477
402000	310	Insurance	\$ 8,561	\$ 6,371
	340	Travel	\$ -	\$ 500
	345	Hiring	\$ 72	\$ 300
	350	Training	\$ 62	\$ 3,000
	360	Uniforms	\$ 302	\$ 300
	365	Safety	\$ 309	\$ 600
	370	Memberships	\$ 498	\$ 700
	392	Professional Services	\$ 6,822	\$ 20,000
		Total	\$ 16,626	\$ 31,771
403000	400	Supplies	\$ 1,347	\$ 3,900
	420	Diesel	\$ 1,999	\$ 1,200
	430	Fuel	\$ 1,247	\$ 600
	520	Equipment Maintenance	\$ 2,924	\$ 3,000
	530	Vehicle Maintenance	\$ 1,075	\$ 1,000
		Total	\$ 8,592	\$ 9,700
Debt Service				
404000		Principal	\$ 82,151	\$ 101,619
	615	Interest Expense	\$ 19,467	\$ 20,968
		Total Debt Service	\$ 101,618	\$ 104,098
		Total Operating Expenses	\$ 208,239	\$ 234,248
		Over/Under from Operations	\$ 354,778	\$ 372,512
405000	799	General/Director's Allocation	\$ 159,913	\$ 293,426
		Net Income/Loss	\$ 194,865	\$ 90,134
Reserves				
		Committed Rate Study Reserves	\$ 127,028	
		Operating Reserves 5 yr. plan		
		Emergency Capital Reserves		
		Contingency Capital Reserves	\$ 80,000	
		Total RCAC Reserves	\$ 207,028	
		Reserves as of 7-30-23	\$ 1,429,956	
		Less: Accumulated Reserves	\$ 939,167	
		Reserves allocated to Asset Replacement	\$ 490,789	

Utility fees increase by 1.8%
Based on 1 new sewer connection.
39.66% of the \$117,019.20 earning in reserves interest.

After Split (Actuals)

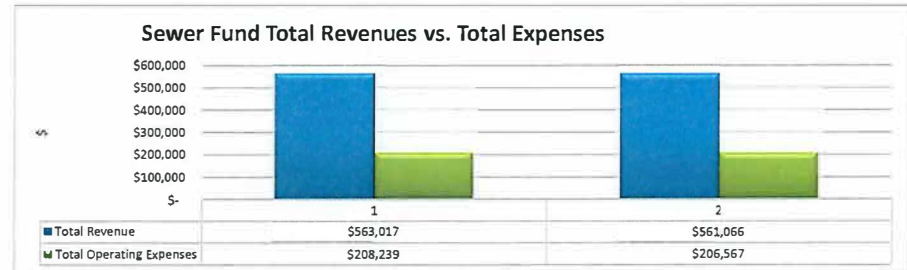
\$ 85,241 10,920 sewer salary + 32% of general fund salaries. Before split it is \$54,428.
\$ 10,194 3970 from PR +6225 from split.
\$ 8,385 5000 of actuals is 32% of taxes in general fund.
\$ 4,000 WC increases by at least 10-15%
\$ 41,944 32% of general fund health benefits=\$26,809. Health premiums up 10-15%.

Rates continue to increase annually by at least 10%.

Increased for CDL license requirements for training.

CRWA Membership
Wastewater Monitoring (Quarterly)

Increased for gravel & pipe for dykes. Actuals: shop supplies, hydrant for sewer ponds, blacktop patch.



32% of 882431.

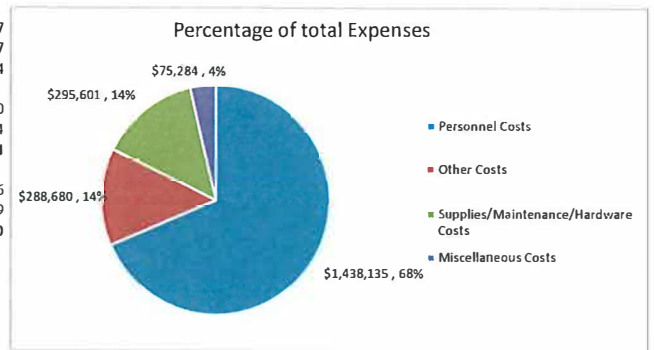
1-Proposed 23-24 budget
2-2022-23 budget
3-2022-23 actuals

Water Fund

Revenue			2022-23 Unaudited Actuals	2022-23 Budget	2023 -24 Budget	Budget Assumptions
Account	Object					
302100	3.4%	Utility Fees	\$ 636,349	\$ 601,662	\$ 622,119	Utility revenue rate increase of 3.4%.
304110		Connection fees	\$ 20,000	\$ -	\$ 20,000	Connection fees
304160		Interest*	\$ 10,035	\$ 4,105	\$ 29,407	25.13% of 117019 we are currently earning on LAIF account.
		Total Revenue	\$ 666,384	\$ 605,767	\$ 671,525	
						After Split
401100	110-140	Salaries	\$ 49,176	\$ 64,509	\$ 83,903	\$ 134,990 Amount above 2023-24 budget column in actuals is due to the split among other funds.
	230	PERS	\$ 4,326	\$ 4,305	\$ 7,810	\$ 9,394 All actuals are higher due to hours charged to Mud Creek incident, removal of half-yr. salary for PWS last yr., 35% of general fund salaries.
401200	210-240	Payroll Taxes	\$ 4,428	\$ 5,552	\$ 7,036	\$ 11,798
401300	280	Worker's Comp	\$ 4,663	\$ 4,866	\$ 7,000	\$ 6,960
	270	Group Health Benefits-Active	\$ 19,377	\$ 23,197	\$ 26,553	\$ 45,930 After split of funds.
		Total Employee Costs	\$ 81,970	\$ 102,429	\$ 132,302	
402000	310	Insurance	\$ 16,785	\$ 17,767	\$ 17,767	
	320	Telephone	\$ -	\$ 500	\$ 500	
	330	Publications	\$ 527		\$ 600	actual # was for Ordinance 30 publishing in paper.
	340	Travel	\$ 40	\$ 1,000	\$ 3,000	Increased for CDL's and distribution classes.
		Total	\$ 17,352	\$ 19,267	\$ 21,867	
402000	350	Training	\$ 62	\$ 3,000	\$ 6,000	Increased for CDL's and distribution classes.
	360	Uniforms	\$ 259	\$ 300	\$ 300	
	365	Safety	\$ -	\$ 600	\$ 600	
	345	Hiring	\$ 72		\$ 200	
	370	Memberships	\$ 803	\$ 800	\$ 850	CSDA, SWRCB, etc. 14129 split among all funds.
	390	Attorney	\$ 2,115	\$ 30,000	\$ 5,000	
	392	Professional Services	\$ 1,501	\$ 5,500	\$ 5,500	water sampling/testing.
		Total	\$ 4,812	\$ 40,200	\$ 18,450	
403000	400	Supplies	\$ 10,466	\$ 4,300	\$ 10,500	1/4 chainsaw files, oxygen, signs, test manuals, copper coil, galv. Mall, strap saddle, kupferle iron cap, hose bibs,coupling-Ford, etc.
	420	Diesel	\$ 1,949	\$ 1,800	\$ 2,500	
	430	Fuel	\$ 1,659	\$ 2,400	\$ 2,400	Total fuel cost for year is \$13,294, split among all funds.
	520	Equipment Maintenance	\$ 2,720	\$ 9,600	\$ 5,000	
	530	Vehicle Maintenance	\$ 1,075	\$ 1,000	\$ 1,200	
405000	710	Fees/Pennits	\$ 7,047	\$ 7,600	\$ 7,600	Udrgmd Svc. Alert membership, SWRCB water permit, USDA line permit.
		Total	\$ 24,916	\$ 26,700	\$ 29,200	
Debt Service						
404000	610	Principal				
		Interest Expense	\$ 3,522		\$ 3,525	pay interest only payments of 293.53 per month
		Total Debt Service	\$ 3,522	\$ -	\$ 3,525	
		Total Operating Expenses	\$ 132,572	\$ 188,596	\$ 205,344	
		Over/Under from Operations	\$ 533,812	\$ 417,171	\$ 466,181	
405000	799	General/Director's Allocation	\$ 174,904	\$ 297,966	\$ 308,851	35% of the 882431 for General/Directors allocation.
		Net Income/Loss	\$ 358,908	\$ 119,205	\$ 157,331	
Reserves						
		Committed Rate Study Reserves	\$ 484,308			
		Operating Reserves 5 yr. plan				
		Emergency Capital Reserves				
		Contingency Cash Reserves	\$ 80,000			
		Total RCAC Reserves	\$ 564,308			
		Accumulated Reserves as of 07-30-23	\$ 906,200			
		Less: RCAC Reserves	\$ 564,308			
		Reserves Allocated to Asset Replacement	\$ 341,892			

Combined Funds

<u>Revenue</u>		<u>Unaudited 22-23 Actuals</u>	<u>Budget 22-23</u>	<u>Proposed Budget 2023-24</u>
301100	Property Tax	\$ 277,521	\$ 258,670	\$ 273,685
302100	Utility & Connection Fees	\$ 1,650,000	\$ 1,624,886	\$ 1,659,160
302150	Solid waste-extra refuse & Greenwaste	\$ 6,527		\$ 6,530
303100	Park/Scout Hall /Concession Rentals	\$ 3,868		\$ 4,000
304100	Donations	\$ 9,664	\$ 119,000	\$ 11,800
304110	Other income	\$ 42,861	\$ 30,000	\$ 63,000
304115	strike team revenue	\$ 454,300	\$ 454,300	
304120	ambulance	\$ 117,738	\$ 98,000	\$ 100,000
304160	Interest	\$ 54,580	\$ 33,298	\$ 111,536
	Total Revenue	\$ 2,617,059	\$ 2,618,154	\$ 2,229,711
Expenses				
401100	110 Salaries	\$ 497,021	\$ 543,348	\$ 733,023
	Total Salaries	\$ 497,021	\$ 543,348	\$ 733,023
Payroll Taxes				
	Total Payroll Taxes	\$ 24,653	\$ 17,601	\$ 62,608
401300	270 Group Health Benefits-Active	\$ 132,726	\$ 144,724	\$ 284,186
	275 Group Health-Retired	\$ 172,002	\$ 251,924	\$ 251,924
	280 Worker's Comp	\$ 35,325	\$ 17,252	\$ 46,627
	230 PERS	\$ 24,653	\$ 11,356	\$ 59,767
	Total Employee Benefits	\$ 364,706	\$ 425,256	\$ 642,504
402000	310 Insurance	\$ 93,500	\$ 95,321	\$ 111,686
	320 Telephone	\$ 10,432	\$ 11,500	\$ 12,300
	330 Publications	\$ 572	\$ 50	\$ 600 Publishing full ordinance #30.
	340 Travel	\$ 2,064	\$ 3,834	\$ 7,834
	345 Hiring	\$ 4,491	\$ 2,450	\$ 4,050
	350 Training	\$ 4,654	\$ 26,273	\$ 28,500
	360 Uniforms	\$ 4,912	\$ 4,000	\$ 3,915
	365 Safety	\$ 1,724	\$ 3,600	\$ 3,600
	370 Memberships	\$ 6,479	\$ 8,100	\$ 7,150
	380 Volunteer Reimbursements	\$ 10,776	\$ 118,400	\$ 12,000
	385 Operating lease		\$ 5,800	\$ 5,800
	390 Attorney	\$ 5,439	\$ 48,000	\$ 16,000
	391 Accountant	\$ 8,500	\$ 22,000	\$ 16,000
	392 Professional Svcs	\$ 14,129	\$ 42,100	\$ 21,600
	394 Professional Svcs-Ambulance	\$ 8,142	\$ 11,480	\$ 10,000
	396 IT	\$ 22,168	\$ 16,500	\$ 25,600
	397 Advertising	\$ 160	\$ 8,100	
	398 Election Exp.	\$ 2,045		\$ 2,045
	Total Other Costs	\$ 200,187	\$ 427,508	\$ 288,680
403000	400 Supplies	\$ 64,238	\$ 71,241	\$ 97,466
	410 Office Supplies	\$ 11,855	\$ 9,100	\$ 11,660
	411 Postage/delivery	\$ 3,965	\$ 3,850	\$ 4,000
	412 IT Supplies	\$ 965	\$ 1,500	\$ 1,000
	415 Janitorial Supplies	\$ 483	\$ 2,000	\$ 1,500
	420 Diesel	\$ 28,996	\$ 34,000	\$ 31,250
	430 Fuel	\$ 31,000	\$ 17,400	\$ 32,000
	440 Heating Fuel	\$ 20,847	\$ 15,600	\$ 21,000
	450 Power	\$ 28,177	\$ 28,300	\$ 28,500
	510 Building	\$ 7,684	\$ 16,800	\$ 14,800
	520 Equip. Maintenance	\$ 15,944	\$ 60,100	\$ 31,075
	530 Vehicle Maintenance	\$ 20,288	\$ 13,600	\$ 21,350
	Total Supplies/Maint/Hrdware	\$ 234,442	\$ 273,491	\$ 295,601
Debt Svc.				
404000	610 Principal	\$ 138,058	\$ 162,780	\$ 139,037
	615 Interest	\$ 28,243		\$ 29,747
	Total	\$ 166,301	\$ 162,780	\$ 168,784
405000	710 Fees/Permits	\$ 74,420	\$ 83,400	\$ 75,000
	740 Property tax	\$ 284		\$ 284
	Total	\$ 74,704	\$ 83,400	\$ 75,284
	Total Revenue combined	\$ 2,630,698	\$ 2,618,154	\$ 2,269,726
	Total Operating Expenses Combined	\$ 1,006,456	\$ 1,933,384	\$ 2,245,249
	Combined Net Income	\$ 879,872	\$ 462,046	\$ 441,300
	% of Expenses			
	Personnel Costs	\$ 1,438,135	64%	
	Other Costs	\$ 288,680	13%	
	Supplies/Maintenance/Hardware Costs	\$ 295,601	13%	
	Miscellaneous Costs	\$ 75,284	3%	
	Total Operating Expenses	\$ 2,245,249		

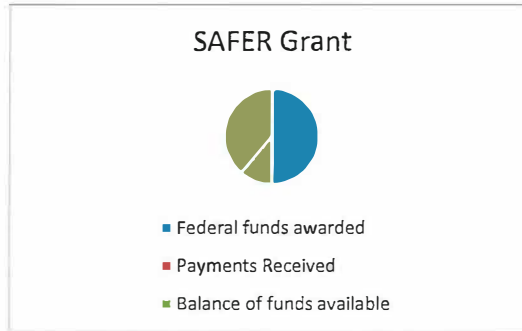


Safer Grant Budget (5004)

11/25/2021 to 11/24/2025

Federal funds awarded	\$ 435,340.50
Payments Received	\$ 97,019.91
Balance of funds available	\$ 338,320.59

Category	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Remaining
	Year 1	Year 1	Year 2	Year 2	Year 3	Year 3	Year 4	Year 4	
Salaries (includes WC, UI, MC, SS)	\$ 48,338.00	\$ -	\$ 56,732.00	\$ 43,427.01	\$ 58,490		\$ 60,320		\$ 180,452.99
Fringe Benefits (Health ins. Based on 34% of salary)	\$ 16,434.92	\$ -	\$ 19,288.88	\$ 15,524.60	\$ 19,886.60		\$ 20,508.80		\$ 60,594.60
Personal Protective Equipment (PPE)	\$ 35,241.30	\$ -	\$ -	\$ 17,012.64	\$ -		\$ -		\$ 18,228.66
Train-the-Trainer Training	\$ 1,500.00	\$ -	\$ -	\$ 904.17	\$ -		\$ -		\$ 595.83
Basic Minimum Firefighter Training	\$ 5,000		\$ 1,500	\$ 1,232.71	\$ 1,500		\$ 1,500		\$ 8,267.29
Non-Uniform Clothing (Shirts, jackets, pullovers)	\$ 200.00	\$ -	\$ 200.00	\$ -	\$ 200		\$ 200		\$ 800.00
Print Marketing (flyers, brochures, banners, signs)	\$ 2,200.00		\$ 1,200.00	\$ 827.60	\$ 1,200		\$ 1,200		\$ 4,972.40
Media Marketing (TV, radio, internet, etc.)	\$ 2,500.00		\$ -	\$ 912.00	\$ -		\$ -		\$ 1,588.00
Nominal Stipend points-based system	\$ 20,000		\$ 20,000	\$ 17,179.18	\$ 20,000		\$ 20,000		\$ 62,820.82
Total (Funds Remaining)									\$ 338,320.59
Percent of Funds Expended	22.29%								



**MCCLOUD COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 07, 2023**

APPROVING AND ADOPTING A BUDGET FOR FISCAL YEAR 2023-2024

WHEREAS, the McCloud Community Services District is a Community Services District, duly formed as authorized by Government Code Sections 61000 through 61802; and

WHEREAS, the McCloud Community Services District operates on a Fiscal Year beginning on July 1, and ending on June 30, of each year; and

WHEREAS, Government Code 61110 provides that on or before July 1 of each year the Board may elect to adopt a preliminary budget that conforms to generally accepted accounting and budgeting procedures for special districts; and

WHEREAS, the Board elected to approve a preliminary budget and that preliminary budget was approved on September 11, 2023; and

WHEREAS, the Board elected to approve a proposed final budget and that proposed final budget was approved on September 25, 2023; and

WHEREAS, Government Code 61110 further provides that on or before September 1 of each year the Board shall adopt a final budget that conforms to generally accepted accounting and budgeting procedures for special districts; and

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the McCloud Community Services District approves and adopts the Final Budget for Fiscal Year 2023-2024 which is attached hereto and by its reference made a part hereof.

Adopted on September 25, 2023 by the following votes:

AYES:

NOES:

ABSENT:

ABSTAIN:

Michael Hanson, President of the Board

ATTEST:

Sarah Roberts, District Secretary

September 12, 2023

McCloud Community Services District
Attn: Amos McAbier and Jennifer Brunello
220 W Minnesota Ave
McCloud, Calif. 96057

Enclosed is a draft copy of McCloud Community Services District's Annual Financial Report, proposed journal entries, and management representation letter for the year ended June 30, 2022. Please print the management representation letter onto the District's letterhead, have signed, and return to our office.

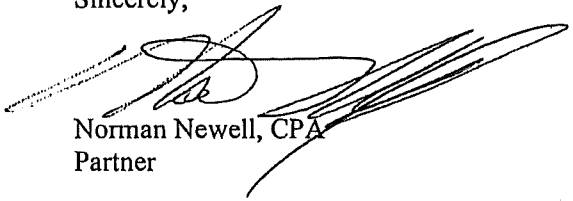
We have also enclosed a copy of the completed disclosure checklist that you can use to document your compliance with the requirements of SAS 115, which require that you review, approve, and accept responsibility for the financial statements and related notes.

We will date and run the report in final once we receive the following:

- Signed Management Representation Letter
- Signed Disclosure Checklist
- Management's Corrective Action Plan for the 3 comments:
 - Management's Response (concur or does not concur with finding)
 - Responsible Individual(s)
 - Corrective Action Plan
 - Anticipated Completion Date

Thanks for your help in completing the audit.

Sincerely,



Norman Newell, CPA
Partner

McCloud Community Services District

Audit Journal Entries

July 1, 2021 - June 30, 2022

AS 9/15/23
MM

Ref.	Description	Client Account	Debit	Credit
Adjusting Journal Entries				
1	(To reconcile fund balance for CERBT contributions)	Fund # 1010		
	Restricted Cash	101140		367,267.88
	Difference	299999	261,267.88	
	General Government	-	106,000.00	
2	(To reclassify intergovernmental revenue)	Fund # 1041		
	Other Revenues	304110	674,963.54	
	Intergovernmental	New		674,963.54
3	(To reconcile net position)	Fund # 1090		
	Restricted Cash	101140		4,411.00
	Difference	299999	4,411.00	
4	(To record current year activity)	Fund # 1090		
	Deferred Outflow - pension	104000	419.27	
	Pension Liability	214000	69,933.02	
	Deferred Inflows - Pension	214001		27,371.42
	Salaries and Benefits	401100.230		42,980.87
5	(To record current year activity)	Fund # 1090		
	Deferred Outflows - OPEB	104000		13,149.91
	Net OPEB obligation	204000	89,328.54	
	Deferred Inflows - OPEB	204001	56,781.61	
	Salaries and Benefits	401100.230		132,960.24
6	(To reconcile net position)	Fund # 2000		
	Restricted Cash	101140		14,860.00
	Difference	299999	14,860.00	
7	(To record current year activity)	Fund # 2000		
	Deferred Outflow - pension	104000		15,919.28
	Pension Liability	214000	83,936.44	
	Deferred Inflows - Pension	214001		26,270.75
	Salaries and Benefits	401100.230		41,746.41
8	(To record current year activity)	Fund # 2000		
	Deferred Outflows - OPEB	104000		313.93
	Net OPEB obligation	204000	195,415.94	
	Deferred Inflows - OPEB	204001	103,429.86	
	Salaries and Benefits	401100.230		298,531.87
9	(To reconcile net position)	Fund # 3000		
	Restricted Cash	101140		52,241.00
	Difference	299999	52,241.00	
10	(To record current year activity)	Fund # 3000		
	Deferred Outflow - pension	104000		20,895.47
	Pension Liability	214000	107,222.05	
	Deferred Inflows - Pension	214001		44,735.70
	Salaries and Benefits	401100.230		41,590.88
11	(To record current year activity)	Fund # 3000		
	Deferred Outflows - OPEB	104000	1,638.53	
	Net OPEB obligation	204000	264,344.05	
	Deferred Inflows - OPEB	204001	144,411.47	
	Salaries and Benefits	401100.230		410,394.05

McCloud Community Services District
Audit Journal Entries

July 1, 2021 - June 30, 2022

AB 9/5/23

Ref.	Description	Fund #	Client Account	Debit	Credit
12	(To reclassify due to other funds) Due From Other Funds Due To Other Funds	7910	101301 201011	1,267.53	1,267.53
13	(To reclassify intergovt revenues) Difference Intergovernmental	5007	5007.209000 New	253,053.50	253,053.50
14	(To reclassify debt proceeds) Loans Payable - L/T Debt Proceeds	5003	2003.201220 New	51,000.00	51,000.00
15	(To reclassify current portion) Loans Payable - L/T Loans Payable	Refuse	SN Only SN Only	55,905.21	55,905.21
16	(To reclassify current portion) Loans Payable - L/T Loans Payable	Sewer	SN Only SN Only	82,149.79	82,149.79
17	(To adjust cash deficit for FS presentation) DFOF - Cash Deficit Cash & Investments	1040	New 1040.101000	55,785.08	55,785.08
18	(To adjust cash deficit for FS presentation) Cash & Investments DFOF - Cash Deficit	5004	5004.101000 New	55,785.08	55,785.08
19	(To adjust balance to actual) Accumulated Depreciation Depreciation	1090	101599 407000.850	37,092.12	37,092.12
20	(To adjust balance to actual) Accumulated Depreciation Depreciation	2000	101599 407000.850	542,760.19	542,760.19
21	(To adjust balance to actual) Accumulated Depreciation Depreciation	3000	101599 407000.850	409,687.84	409,687.84
22	(To remove int payable from fund FS) Interest Payable Debt Service - Interest	5003	201270 404000.615	133.87	133.87
				<u>3,775,224.41</u>	<u>3,775,224.41</u>
			Report Totals	<u>3,775,224.41</u>	<u>3,775,224.41</u>

Journal Entry count = 22

**MCCLLOUD COMMUNITY SERVICES
DISTRICT,
CALIFORNIA**

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**FINANCIAL STATEMENTS
TOGETHER WITH
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED
JUNE 30, 2022**

MCCLLOUD COMMUNITY SERVICES DISTRICT
Annual Financial Report
For the Year Ended June 30, 2022

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MCCLLOUD COMMUNITY SERVICES DISTRICT
Annual Financial Report
For the Year Ended June 30, 2022

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INTRODUCTORY SECTION

- **List of Officials**

MCCLLOUD COMMUNITY SERVICES DISTRICT
List of Officials
For the Year Ended June 30, 2022

Board of Directors

Michael "Mick" Hanson	President
Jim Mullins	Vice President
Christine Richey	Director
Michael Rorke	Director
Mark Trent	Director

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FINANCIAL SECTION

- **Independent Auditor's Report**
- **Basic Financial Statements**
- **Required Supplementary Information**
- **Combining Nonmajor Fund Financial Statements**

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
McCloud Community Services District
McCloud, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of McCloud Community Services District, California (District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

To the Board of Directors
McCloud Community Services District
McCloud, California

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

To the Board of Directors
McCloud Community Services District
McCloud, California

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, District Pension Plan information, District OPEB Plan information, and budgetary comparison information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtain during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

To the Board of Directors
McCloud Community Services District
McCloud, California

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated XXX, 2023, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.

Smith & Newell CPAs
Yuba City, California
XXX, 2023

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Basic Financial Statements

- **Government-Wide Financial Statements**

McCLOUD COMMUNITY SERVICES DISTRICT
Statement of Net Position
June 30, 2022

	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Cash and investments	\$ 1,686,632	\$ 2,421,589	\$ 4,108,221
Receivables:			
Accounts	14,193	169,912	184,105
Taxes	46,307	-	46,307
Prepaid costs	3,921	322	4,243
Inventory	-	57,321	57,321
Capital assets:			
Non-depreciable	183,822	8,350	192,172
Depreciable, net	434,768	12,330,228	12,764,996
Total capital assets	<u>618,590</u>	<u>12,338,578</u>	<u>12,957,168</u>
Total Assets	<u>2,369,643</u>	<u>14,987,722</u>	<u>17,357,365</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred pension adjustments	92,365	49,495	141,860
Deferred OPEB adjustments	591	318	909
Total Deferred Outflows of Resources	<u>92,956</u>	<u>49,813</u>	<u>142,769</u>
LIABILITIES			
Accounts payable	55,842	29,734	85,576
Salaries and benefits payable	7,829	9,409	17,238
Interest payable	134	2,166	2,300
Unearned revenue	401	35,711	36,112
Long-term liabilities:			
Due within one year	8,199	138,055	146,254
Due in more than one year	53,050	713,278	766,328
Net pension liability	252,210	135,148	387,358
Net OPEB liability	<u>824,243</u>	<u>441,674</u>	<u>1,265,917</u>
Total Liabilities	<u>1,201,908</u>	<u>1,505,175</u>	<u>2,707,083</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred pension adjustments	250,490	134,227	384,717
Deferred OPEB adjustments	<u>243,015</u>	<u>130,221</u>	<u>373,236</u>
Total Deferred Inflows of Resources	<u>493,505</u>	<u>264,448</u>	<u>757,953</u>

The notes to the basic financial statements are an integral part of this statement.

MCCLLOUD COMMUNITY SERVICES DISTRICT
Statement of Net Position
June 30, 2022

NET POSITION	Governmental Activities	Business-Type Activities	Totals
Net investment in capital assets	567,590	11,487,245	12,054,835
Restricted for:			
Public safety	702,600	-	702,600
Public works	456,181	-	456,181
Culture and recreation	135,442	-	135,442
Education	7,947	-	7,947
Unrestricted	(1,102,574)	1,780,667	678,093
Total Net Position	\$ 767,186	\$ 13,267,912	\$ 14,035,098

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The notes to the basic financial statements are an integral part of this statement.

MCCLOUD COMMUNITY SERVICES DISTRICT
Statement of Activities
For the Year Ended June 30, 2022

<u>Functions/Programs:</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental activities:				
General government	\$ 508,846	\$ -	\$ -	\$ -
Public safety	1,308,876	112,860	928,018	-
Public works	216,705	39,110	-	-
Culture and recreation	71,928	315	-	-
Education	12,881	-	-	-
Interest on long-term debt	2,314	-	-	-
Total Governmental Activities	2,121,550	152,285	928,018	-
Business-type activities:				
Water	(44,452)	597,598	-	-
Sewer	148,185	516,643	-	-
Refuse	72,161	398,233	-	-
Total Business-Type Activities	175,894	1,512,474	-	-
Total	\$ 2,297,444	\$ 1,664,759	\$ 928,018	\$ -
	General Revenues:			
	Taxes:			
	Property taxes			
	Grants and contributions - unrestricted			
	Interest and investment earnings			
	Miscellaneous			
	Transfers			
	Total General Revenues and Transfers			
	Change in Net Position			
	Net Position - Beginning			
	Net Position - Ending			

The notes to the basic financial statements are an integral part of this statement.

**Net (Expense) Revenue and
Changes in Net Position**

Governmental Activities	Business- Type Activities	Totals
\$ (508,846)	\$ -	\$ (508,846)
(267,998)	-	(267,998)
(177,595)	-	(177,595)
(71,613)	-	(71,613)
(12,881)	-	(12,881)
(2,314)	-	(2,314)
<u>(1,041,247)</u>	<u>-</u>	<u>(1,041,247)</u>
-	642,050	642,050
-	368,458	368,458
-	326,072	326,072
<u>-</u>	<u>1,336,580</u>	<u>1,336,580</u>
<u>(1,041,247)</u>	<u>1,336,580</u>	<u>295,333</u>
270,796	-	270,796
1,170	-	1,170
4,689	3,975	8,664
88,159	7,911	96,070
377,153	(377,153)	-
<u>741,967</u>	<u>(365,267)</u>	<u>376,700</u>
(299,280)	971,313	672,033
<u>1,066,466</u>	<u>12,296,599</u>	<u>13,363,065</u>
<u>\$ 767,186</u>	<u>\$ 13,267,912</u>	<u>\$ 14,035,098</u>

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Basic Financial Statements

- **Fund Financial Statements**

MCCLLOUD COMMUNITY SERVICES DISTRICT
Balance Sheet
Governmental Funds
June 30, 2022

	General Fund	Fire	Elk Springhouse Grant	Other Governmental Funds	Totals
ASSETS					
Cash and investments	\$ 432,501	\$ 660,057	\$ 203,169	\$ 390,905	\$ 1,686,632
Receivables:					
Accounts	-	8,926	-	5,267	14,193
Taxes	6,296	27,507	-	12,504	46,307
Due from other funds	13,474	55,785	-	-	69,259
Prepaid costs	2,807	1,114	-	-	3,921
Total Assets	\$ 455,078	\$ 753,389	\$ 203,169	\$ 408,676	\$ 1,820,312
LIABILITIES					
Accounts payable	\$ 2,606	\$ 48,286	\$ -	\$ 4,950	\$ 55,842
Salaries and benefits payable	1,158	1,389	-	5,282	7,829
Due to other funds	1,268	-	-	67,991	69,259
Unearned revenue	-	-	-	401	401
Total Liabilities	5,032	49,675	-	78,624	133,331
FUND BALANCES					
Nonspendable	2,807	1,114	-	-	3,921
Restricted	-	702,600	203,169	396,401	1,302,170
Unassigned	447,239	-	-	(66,349)	380,890
Total Fund Balances	450,046	703,714	203,169	330,052	1,686,981
Total Liabilities and Fund Balances	\$ 455,078	\$ 753,389	\$ 203,169	\$ 408,676	\$ 1,820,312

The notes to the basic financial statements are an integral part of this statement.

MCLOUD COMMUNITY SERVICES DISTRICT
Reconciliation of the Governmental Funds Balance
Sheet to the Government-Wide Statement of
Net Position - Governmental Activities
June 30, 2022

Total Fund Balances - Total Governmental Funds	\$ 1,686,981
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds balance sheet.	618,590
Interest payable on long-term debt does not require the use of current financial resources and therefore is not accrued as a liability in the governmental funds balance sheet.	(134)
Deferred outflows of resources related to pension and OPEB are not reported in the governmental funds.	92,956
Deferred inflows of resources related to pension and OPEB are not reported in the governmental funds.	(493,505)
Certain liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.	
Line of credit	(51,000)
Compensated absences	(10,249)
Net pension liability	(252,210)
Net OPEB liability	(824,243)
Net Position of Governmental Activities	<u>\$ 767,186</u>

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The notes to the basic financial statements are an integral part of this statement.

MCCLLOUD COMMUNITY SERVICES DISTRICT
Statement of Revenues, Expenditures and
Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2022

	General Fund	Fire	Elk Springhouse Grant	Other Governmental Funds	Totals
REVENUES					
Taxes and assessments	\$ 92,138	\$ 124,991	\$ -	\$ 53,982	\$ 271,111
Use of money	908	987	-	2,794	4,689
Intergovernmental	1,170	674,964	253,054	-	929,188
Charges for services	-	93,497	-	58,473	151,970
Other revenues	6,479	81,277	-	403	88,159
Total Revenues	<u>100,695</u>	<u>975,716</u>	<u>253,054</u>	<u>115,652</u>	<u>1,445,117</u>
EXPENDITURES					
Current:					
General government	458,397	-	-	210	458,607
Public protection	-	676,151	-	60,656	736,807
Public ways and facilities	-	-	49,885	153,063	202,948
Education	-	-	-	7,938	7,938
Culture and recreation	-	-	-	44,605	44,605
Debt service:					
Interest and other charges	-	-	-	2,180	2,180
Capital outlay	-	57,961	-	-	57,961
Total Expenditures	<u>458,397</u>	<u>734,112</u>	<u>49,885</u>	<u>268,652</u>	<u>1,511,046</u>
Excess of Revenues Over (Under)					
Expenditures	<u>(357,702)</u>	<u>241,604</u>	<u>203,169</u>	<u>(153,000)</u>	<u>(65,929)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	340,047	143,005	-	108,515	591,567
Transfers out	-	(187,212)	-	(27,202)	(214,414)
Debt proceeds	-	-	-	51,000	51,000
Total Other Financing Sources (Uses)	<u>340,047</u>	<u>(44,207)</u>	<u>-</u>	<u>132,313</u>	<u>428,153</u>
Net Change in Fund Balances	<u>(17,655)</u>	<u>197,397</u>	<u>203,169</u>	<u>(20,687)</u>	<u>362,224</u>
Fund Balances - Beginning	<u>467,701</u>	<u>506,317</u>	<u>-</u>	<u>350,739</u>	<u>1,324,757</u>
Fund Balances - Ending	<u>\$ 450,046</u>	<u>\$ 703,714</u>	<u>\$ 203,169</u>	<u>\$ 330,052</u>	<u>\$ 1,686,981</u>

The notes to the basic financial statements are an integral part of this statement.

MCCLLOUD COMMUNITY SERVICES DISTRICT
Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds to the
Government-Wide Statement of Activities - Governmental Activities
For the Year Ended June 30, 2022

Net Change in Fund Balances - Total Governmental Funds \$ 362,224

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Expenditures for capital outlay	57,961
Less current year depreciation	(47,642)
Various adjustments	(1,563)

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position.

Debt proceeds	(51,000)
---------------	----------

Certain changes in deferred outflows and deferred inflows of resources reported in the Statement of Activities relate to long-term liabilities and are not reported in the governmental funds.

Changes in deferred outflows of resources related to pension and OPEB	31,382
Changes in deferred inflows of resources related to pension and OPEB	(277,879)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.

Change in compensated absences	14,459
Change in net pension liability	(2,704)
Change in net OPEB liability	(384,384)
Change in accrued interest on long-term debt	(134)

Change in Net Position of Governmental Activities \$ (299,280)

The notes to the basic financial statements are an integral part of this statement.

MCCLLOUD COMMUNITY SERVICES DISTRICT
Statement of Net Position
Proprietary Funds
June 30, 2022

	Business-Type Activities - Enterprise Funds			
	Major Funds			
	Water	Sewer	Waste	Totals
ASSETS				
Current Assets:				
Cash and investments	\$ 801,717	\$ 1,438,028	\$ 181,844	\$ 2,421,589
Receivables:				
Accounts	72,759	56,868	40,285	169,912
Prepaid expense	161	161	-	322
Inventory	54,063	3,258	-	57,321
Total Current Assets	928,700	1,498,315	222,129	2,649,144
Noncurrent Assets:				
Capital assets:				
Non-depreciable	3,050	2,500	2,800	8,350
Depreciable, net	3,794,592	8,173,614	362,022	12,330,228
Total capital assets	3,797,642	8,176,114	364,822	12,338,578
Total Noncurrent Assets	3,797,642	8,176,114	364,822	12,338,578
Total Assets	4,726,342	9,674,429	586,951	14,987,722
DEFERRED OUTFLOWS OF RESOURCES				
Deferred pension adjustments	22,085	13,739	13,671	49,495
Deferred OPEB adjustments	142	88	88	318
Total Deferred Outflows of Resources	22,227	13,827	13,759	49,813
LIABILITIES				
Current Liabilities:				
Accounts payable	8,737	8,165	12,832	29,734
Salaries and benefits payable	4,530	2,097	2,782	9,409
Interest payable	-	1,670	496	2,166
Unearned revenue	28,317	4,328	3,066	35,711
Loans payable	-	82,150	55,905	138,055
Total Current Liabilities	41,584	98,410	75,081	215,075

The notes to the basic financial statements are an integral part of this statement.

MCCLLOUD COMMUNITY SERVICES DISTRICT
Statement of Net Position
Proprietary Funds
June 30, 2022

	<u>Business-Type Activities - Enterprise Funds</u>			
	<u>Major Funds</u>			
	<u>Water</u>	<u>Sewer</u>	<u>Waste</u>	<u>Totals</u>
Noncurrent Liabilities:				
Loans payable	-	570,959	142,319	713,278
Net pension liability	60,303	37,515	37,330	135,148
Net OPEB liability	197,076	122,600	121,998	441,674
Total Noncurrent Liabilities	<u>257,379</u>	<u>731,074</u>	<u>301,647</u>	<u>1,290,100</u>
Total Liabilities	<u>298,963</u>	<u>829,484</u>	<u>376,728</u>	<u>1,505,175</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred pension adjustments	59,892	37,259	37,076	134,227
Deferred OPEB adjustments	58,105	36,147	35,969	130,221
Total Deferred Inflows of Resources	<u>117,997</u>	<u>73,406</u>	<u>73,045</u>	<u>264,448</u>
NET POSITION				
Net investment in capital assets	3,797,642	7,523,005	166,598	11,487,245
Unrestricted	533,967	1,262,361	(15,661)	1,780,667
Total Net Position	<u>\$ 4,331,609</u>	<u>\$ 8,785,366</u>	<u>\$ 150,937</u>	<u>\$ 13,267,912</u>

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The notes to the basic financial statements are an integral part of this statement.

MCLOUD COMMUNITY SERVICES DISTRICT
Statement of Revenues, Expenses and
Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2022

	Business-Type Activities - Enterprise Funds			
	Major Funds			
	Water	Sewer	Waste	Totals
OPERATING REVENUES				
Charges for services	\$ 597,598	\$ 516,643	\$ 398,233	\$ 1,512,474
Other revenue	7,911	-	-	7,911
Total Operating Revenues	<u>605,509</u>	<u>516,643</u>	<u>398,233</u>	<u>1,520,385</u>
OPERATING EXPENSES				
Salaries and benefits	(262,397)	(213,467)	(58,631)	(534,495)
Advertising	679	-	-	679
Dues and subscriptions	926	326	-	1,252
Fuel and supplies	1,742	1,249	11,715	14,706
General operating	6,216	18,327	45,049	69,592
Insurance	14,900	7,600	8,000	30,500
Office	4,392	3,648	3,315	11,355
Professional services	10,469	15,635	983	27,087
Repairs and maintenance	18,517	4,278	15,380	38,175
Travel	61	-	-	61
Depreciation	160,043	285,416	22,924	468,383
Total Operating Expenses	<u>(44,452)</u>	<u>123,012</u>	<u>48,735</u>	<u>127,295</u>
Operating Income (Loss)	<u>649,961</u>	<u>393,631</u>	<u>349,498</u>	<u>1,393,090</u>
NON-OPERATING REVENUE (EXPENSES)				
Interest income	771	3,014	190	3,975
Interest expense	-	(25,173)	(23,426)	(48,599)
Transfers out	(213,930)	(98,614)	(64,609)	(377,153)
Total Non-Operating Revenue (Expenses)	<u>(213,159)</u>	<u>(120,773)</u>	<u>(87,845)</u>	<u>(421,777)</u>
Change in Net Position	436,802	272,858	261,653	971,313
Total Net Position - Beginning	<u>3,894,807</u>	<u>8,512,508</u>	<u>(110,716)</u>	<u>12,296,599</u>
Total Net Position - Ending	<u>\$ 4,331,609</u>	<u>\$ 8,785,366</u>	<u>\$ 150,937</u>	<u>\$ 13,267,912</u>

The notes to the basic financial statements are an integral part of this statement.

MCCLLOUD COMMUNITY SERVICES DISTRICT
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2022

	<u>Business-Type Activities - Enterprise Funds</u>			
	<u>Major Funds</u>			
	<u>Water</u>	<u>Sewer</u>	<u>Waste</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 606,869	\$ 522,509	\$ 404,280	\$ 1,533,658
Payments to suppliers	(50,166)	(48,708)	(79,424)	(178,298)
Payments to employees	(190,469)	(127,169)	(117,257)	(434,895)
Net Cash Provided (Used) by Operating Activities	<u>366,234</u>	<u>346,632</u>	<u>207,599</u>	<u>920,465</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers to other funds	(213,930)	(98,614)	(64,609)	(377,153)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(213,930)</u>	<u>(98,614)</u>	<u>(64,609)</u>	<u>(377,153)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from issuance of capital debt	-	700,000	230,000	930,000
Principal paid on debt	-	(746,186)	(263,886)	(1,010,072)
Interest paid on debt	-	(30,719)	(22,930)	(53,649)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>-</u>	<u>(76,905)</u>	<u>(56,816)</u>	<u>(133,721)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on investments	771	3,014	190	3,975
Net Cash Provided (Used) by Investing Activities	<u>771</u>	<u>3,014</u>	<u>190</u>	<u>3,975</u>
Net Increase (Decrease) in Cash and Cash Equivalents	153,075	174,127	86,364	413,566
Balances - Beginning	<u>648,642</u>	<u>1,263,901</u>	<u>95,480</u>	<u>2,008,023</u>
Balances - Ending	<u>\$ 801,717</u>	<u>\$ 1,438,028</u>	<u>\$ 181,844</u>	<u>\$ 2,421,589</u>

The notes to the basic financial statements are an integral part of this statement.

MCCLLOUD COMMUNITY SERVICES DISTRICT
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2022

	<u>Business-Type Activities - Enterprise Funds</u>			
	<u>Major Funds</u>			
	<u>Water</u>	<u>Sewer</u>	<u>Waste</u>	<u>Totals</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	\$ 649,961	\$ 393,631	\$ 349,498	\$ 1,393,090
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	160,043	285,416	22,924	468,383
Decrease (increase) in:				
Accounts receivable	(4,177)	1,538	2,981	342
Prepays	146	(146)	-	-
Deferred outflows - pension adjustments	19,007	16,052	12,639	47,698
Deferred outflows - OPEB adjustments	249	181	91	521
Increase (decrease) in:				
Accounts payable	7,590	2,501	5,018	15,109
Salaries and benefits payable	(881)	(358)	54	(1,185)
Unearned revenue	5,537	4,328	3,066	12,931
Net pension liability	(107,222)	(83,936)	(69,933)	(261,091)
Net OPEB liability	(264,344)	(195,416)	(89,329)	(549,089)
Deferred inflows - pension adjustments	44,736	26,271	27,372	98,379
Deferred inflows - OPEB adjustments	(144,411)	(103,430)	(56,782)	(304,623)
Net Cash Provided (Used) by Operating Activities	<u>\$ 366,234</u>	<u>\$ 346,632</u>	<u>\$ 207,599</u>	<u>\$ 920,465</u>

The notes to the basic financial statements are an integral part of this statement.

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Basic Financial Statements

- **Notes to Basic Financial Statements**

MC CLOUD COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

McCloud Community Services District (District) was formed on August 24, 1965 to provide water, sewer, waste, fire, and other necessary services to the community of McCloud. A Board of Directors consisting of five members, including a president who is selected by the Board of Directors, governs the District's operations. An appointed District Manager manages the administrative functions of the District, a designated Finance Officer administers the financial functions, and a designated Public Works Superintendent administers the District's water, sewer, and alleys. Non-management employees are members of a union (Operating Engineers, Local No. 3).

Component Units

Generally accepted accounting principles require government financial statements to include the primary government and its component units. Component units of a governmental entity are legally separate entities for which the primary government is considered to be financially accountable and for which the nature and significance of their relationship with the primary government are such that exclusion would cause the combined financial statements to be misleading. The primary government is considered to be financially accountable if it appoints a majority of an organization's governing body and is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the primary government.

Based on the application of the criteria set forth by the Governmental Accounting Standards Board, management has determined that there are no component units of the District.

B. Basis of Presentation

Government-Wide Financial Statements

The Statement of Net Position and Statement of Activities display information on all of the activities of the District. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double counting of internal activities. Interfund services provided and used are not eliminated in the process of consolidation. These statements distinguish between the governmental and business-type activities of the District. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties.

The Statement of Activities presents a comparison between direct expenses and program revenues for each different identifiable activity of the District's business-type activities and each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and; therefore, are clearly identifiable to a particular function. Program revenues include 1) charges paid by the recipients of goods and services offered by the program, 2) operating grants and contributions, and 3) capital grants and contributions. Taxes and other items not properly included among program revenues are presented instead as general revenues.

MCCLLOUD COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

Fund Financial Statements

The fund financial statements provide information about the District's funds. The funds of the District are organized into two major categories: governmental and proprietary. The emphasis is placed on major funds within the governmental and proprietary categories; each is displayed in a separate column. All remaining governmental and enterprise funds are separately aggregated and reported as nonmajor funds.

The District reports the following major governmental funds:

- The General fund is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the District that are not accounted for through other funds.
- The Fire fund is a special revenue fund used to account for most of the public safety operations of the District, including ambulance. Funding comes primarily from taxes and grants.
- The Elk Springhouse Grant fund is a special revenue fund used to account for public ways and facilities operations of the District. Funding comes primarily from grants.

The District reports the following major proprietary funds:

- The Water fund is an enterprise fund used to account for activity related to providing customers with water and billing for services provided by the District.
- The Sewer fund is an enterprise fund used to account for activity related to providing customers with sewer and billing for services provided by the District.
- The Waste fund is an enterprise fund used to account for activity related to providing customers with solid waste and billing for services provided by the District.

C. Basis of Accounting and Measurement Focus

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property and sales tax, grants, entitlements, and donations. Under the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from sales tax are recognized when the underlying transactions take place. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

MCCLLOUD COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting and Measurement Focus (Continued)

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Property and sales taxes, interest, certain state and federal grants and charges for services are considered susceptible to accrual and are accrued when their receipt occurs within 60 days after the end of the fiscal year. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to claims and judgments are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in the various functions of the governmental funds. Proceeds of governmental long-term debt and acquisitions under capital leases are reported as other financing sources.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. Non-Current Governmental Assets/Liabilities

Non-current governmental assets and liabilities, such as capital assets and long-term liabilities, are reported in the governmental activities column in the government-wide Statement of Net Position.

E. Cash and Cash Equivalents

For purposes of the accompanying Statement of Cash Flows, the District considers all highly liquid investments with a maturity of three months or less when purchased, including amounts held in the District's investment pool, to be cash and cash equivalents.

F. Investments

The District pools cash and investments of all funds. Each fund's share in this pool is displayed in the accompanying financial statements as cash and investments.

Investment transactions are recorded on the trade date. The fair value of investments is determined annually. Investments in nonparticipating interest-earning investment contracts are reported at cost; short term investments are reported at amortized cost, investments in the State of California Local Agency Investment Fund, an external pool, are reported at amortized cost which approximates fair value, and the fair value of all other investments are obtained by using quotations obtained from independent published sources or by the safekeeping institution. The fair value represents the amount the District could reasonably expect to receive for an investment in a current sale between a willing buyer and seller.

Income from pooled investments is allocated to the individual funds based on the fund or participant's average daily cash balance at quarter end in relation to the total pool investments. Income from non-pooled investments is recorded based on the specific investments held by the fund.

MCCLLOUD COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Receivables

Receivables for governmental activities consist mainly of accounts and taxes. Management believes its receivables are fully collectible and, accordingly, no allowance for doubtful accounts is required.

Receivables for business-type activities consist mainly of user fees. Management believes its receivables are fully collectible and, accordingly, no allowance for doubtful accounts is required.

H. Other Assets

Inventory

Inventories are stated at cost (first-in, first-out basis) for proprietary funds. Inventory consists of items purchased for future projects. Proprietary funds inventories are recorded as expenses at the time the inventory is consumed.

Prepaid Items

Payments made for services that will benefit periods beyond June 30, 2022, are recorded as prepaid costs under both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

I. Capital Assets

Capital assets are defined by the District as assets with a cost greater than \$5,000 and a useful life of at least two years. Capital assets are recorded at historical or estimated historical cost if actual historical cost is unavailable. Contributed capital assets are recorded at their fair value at the date of donation.

Capital assets used in operations are depreciated or amortized using the straight-line method over the assets' estimated useful lives in the government-wide financial statements. The range of estimated useful lives by type of asset is as follows:

<u>Depreciable Asset</u>	<u>Estimated Lives</u>
Buildings and improvements	20 to 50 years
Sewer systems	10 to 50 years
Water transmission lines	5 to 50 years
Subsurface lines	3 to 50 years
Machinery and equipment	3 to 15 years

Maintenance and repairs are charged to operations when incurred. Betterments and major improvements which significantly increase values, change capacities or extend useful lives are capitalized. Upon sale or retirement of capital assets, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is to be included in the results of operations.

J. Property Tax

Siskiyou County assesses properties, bills, collects, and distributes property taxes to the District. The County remits the entire amount levied and handles all delinquencies, retaining interest and penalties.

MCCLLOUD COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Property Tax (Continued)

Property taxes are levied on a fiscal year (July 1 - June 30). The secured property tax assessments are due on November 1 and February 1 and become delinquent after December 10 and April 10, respectively. The unsecured property tax assessments are due on August 1 and become delinquent after August 31. Property taxes become a lien on the property effective January 1 of the preceding year.

The District recognizes property taxes when the individual installments are due provided they are collected within 60 days after year-end.

K. Interfund Transactions

Interfund transactions are reflected as either loans, services provided or used, reimbursements or transfers.

Loans reported as receivables and payables are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans) as appropriate and are subject to elimination upon consolidation. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances." Advances between funds, as reported in the fund financial statements, are offset by a nonspendable fund balance account in applicable governmental funds to indicate that they are not in spendable form.

Services provided or used, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. These services provide information on the net cost of each government function and therefore are not eliminated in the process of preparing the government-wide statement of activities.

Reimbursements occur when the funds responsible for particular expenditures or expenses repay the funds that initially paid for them. Such reimbursements are reflected as expenditures or expenses in the reimbursing fund and reductions to expenditures or expenses in the reimbursed fund.

All other interfund transactions are treated as transfers. Transfers between funds are netted as part of the reconciliation to the government-wide presentation.

L. Compensated Absences

It is the District's policy to permit employees to accumulate a limited amount of earned but unused vacation leave and an unlimited amount of sick leave. In the government-wide financial statements the accrued compensated absences is recorded as an expense and related liability, with the current portion estimated based on historical trends. In the governmental fund financial statements the expenditures and liabilities related to those obligations are recognized only when they mature. The District includes its share of Social Security and Medicare taxes payable on behalf of the employees in the accrual for compensated absences.

MCCLLOUD COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Pension

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pension, and pension expense, information about the fiduciary net position of the District's California Public Employees' Retirement System (CalPERS) plan (Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Measurement Period	June 30, 2020 to June 30, 2021

N. Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District's plan (OPEB Plan) and additions to/deductions from the OPEB Plans' fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2021
Measurement Period	June 30, 2020 to June 30, 2021

O. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has two items that qualify for reporting in this category. These items relate to the outflows from changes in the net pension liability and net OPEB liability and are reportable on the Statement of Net Position.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items which qualify for reporting in this category. These items relate to the inflows from changes in the net pension liability and net OPEB liability and are reportable on the Statement of Net Position.

MC CLOUD COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Estimates

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Q. Implementation of Governmental Accounting Standards Board (GASB) Statements

The following Governmental Accounting Standards Board (GASB) Statements have been implemented, if applicable, in the current financial statements.

Statement No. 87, Leases. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period. This statement enhances the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and simplifies accounting for interest cost incurred before the end of a construction period.

Statement No. 92, Omnibus 2020. This Statement will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature.

Statement No. 93, Replacement of Interbank Offered Rates. The objective of this Statement is to address implications of GASB Statement No. 53 and GASB Statement No. 87 and other accounting and financial reporting implications that result from the replacement of an IBOR.

Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans. The requirements of this Statement will result in more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans. The requirements also will enhance the relevance, consistency, and comparability of (1) the information related to Section 457 plans that meet the definition of a pension plan and the benefits provided through those plans and (2) investment information for all Section 457 plans.

R. Future Accounting Pronouncements

The following GASB Statements will be implemented, if applicable, in future financial statements:

Statement No. 91 "Conduit Debt Obligations" The requirements of this statement are effective for periods beginning after December 15, 2021. (FY 22/23)

Statement No. 94 "Public-Private and Public-Public Partnerships and Availability Payment Arrangements" The requirements of this statement are effective for periods beginning after June 15, 2022. (FY 22/23)

Statement No. 96 "Subscription-Based Information Technology Arrangements" The requirements of this statement are effective for periods beginning after June 15, 2022. (FY 22/23)

MCCLLOUD COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Deficit Fund Balance

The following non-major governmental funds had deficit fund balances at June 30, 2022:

Lights	\$	5,692
Safer Grant		60,657
Payroll Clearing		1,474

Some of these deficits may be eliminated in the future through grant revenues. Certain amounts of these deficits will ultimately become the responsibility of the General fund.

NOTE 3: CASH AND INVESTMENTS

A. Financial Statement Presentation

As of June 30, 2022, the District's cash and investments are reported in the financial statements as follows:

Governmental activities	\$	1,686,632
Business-type activities		<u>2,421,589</u>
Total Cash and Investments	\$	<u>4,108,221</u>

As of June 30, 2022, the District's cash and investments consisted of the following:

Cash:		
Cash on hand	\$	200
Deposits (less outstanding checks)		<u>4,107,160</u>
Total Cash		<u>4,107,360</u>
Investments:		
Local Agency Investment Fund (LAIF)		<u>861</u>
Total Investments		<u>861</u>
Total Cash and Investments	\$	<u>4,108,221</u>

B. Cash

At year end, the carrying amount of the District's cash deposits (including amounts in a checking account) was \$4,107,160 and the bank balance was \$3,954,660. The difference between the bank balance and the carrying amount represents outstanding checks and deposits in transit. In addition, the District had cash on hand of \$200.

Custodial Credit Risk for Deposits - Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the District will not be able to recover its deposits or collateral securities that are in the possession of an outside party. The District's investment policy requires that deposits in banks must meet the requirements of the California Government Code. Under this code, deposits of more than \$250,000 must be collateralized at 105 percent to 150 percent of the value of the deposit to guarantee the safety of public funds. The first \$250,000 of the District's deposits are insured by the Federal Deposit Insurance Corporation (FDIC). Deposits of more than the \$250,000 insured amount are collateralized.

MCCLLOUD COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

C. Investments

The District has an investment policy, the purpose of which is to establish guidelines for the prudent investment of the District's funds, and outline the policies for maximizing the efficiency of the District's cash management program. The ultimate goal is to enhance the economic status of the District while protecting its pooled investments.

The investment policy provides the basis for the management of a prudent, conservative investment program. Funds are invested to provide the maximum security of principal with secondary emphasis on achieving the highest return, while meeting daily cash flow needs. All investments are made in accordance with the Government Code and, in general, the investment policy is more restrictive than state law.

Under the provisions of the District's investment policy the District may invest or deposit in the following:

- Bankers' Acceptances
- Commercial Paper
- Local Agency Investment Fund (LAIF)
- Medium Term Notes
- Asset Backed Securities
- Money Market Mutual Funds
- Negotiable Certificates of Deposit
- Repurchase Agreements/Reverse Repurchase Agreements
- Municipal Securities of Local and State Entities within the State of California
- United States Treasury Securities
- United States Government Agency (Direct/Indirect) Securities
- Shares of beneficial interest issued by a joint powers authority organized pursuant to Section 6509.7 that invests in the securities and obligations authorized in subdivision (a) to (o) inclusive
- United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance

Fair Value of Investments - The District measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy as follows:

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than quoted market prices; and,
- Level 3: Unobservable inputs

The District's position in external investment pools is in itself regarded as a type of investment and looking through to the underlying investments of the pool is not appropriate. Therefore, the District's investment in external investment pools is not recognized in the three-tiered fair value hierarchy described above.

MCCLLOUD COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

C. Investments (Continued)

At June 30, 2022, the District had the following recurring fair value measurements:

Investment Type	Fair Value	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Investments by Fair Value Level				
None	\$ -	\$ -	\$ -	\$ -
Total Investments Measured at Fair Value	-	\$ -	\$ -	\$ -
Investments in External Investment Pool				
LAIF	861			
Total Investments	\$ 861			

Interest Rate Risk - Interest rate risk is the risk of loss due to the fair value of an investment falling due to interest rates rising. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. To limit the exposure to fair value losses resulting from increases in interest rates, the District's investment policy limits investment maturities to a term appropriate to the need for funds so as to permit the District to meet all projected obligations.

As of June 30, 2022, the District had the following investments, all of which had a maturity of 5 years or less:

Investment Type	Interest Rates	Maturities		Fair Value	Weighted Average Maturity (Years)
		0-1 year	1-5 years		
LAIF	Variable	\$ 861	\$ -	\$ 861	-
Total Investments		\$ 861	\$ -	\$ 861	-

Credit Risk - Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's investment policy sets specific parameters by type of investment to be met at the time of purchase. As of June 30, 2022, the District's investments were all pooled with LAIF which is not rated by a nationally recognized statistical rating organization.

Custodial Credit Risk - Custodial credit risk for investments is the risk that, in the event of the failure of a depository financial institution, the District will not be able to recover its deposits or collateral securities that are in the possession of an outside party. To mitigate the custodial credit risk the District's investment policy requires that all securities owned by the District shall be held in safekeeping by a third party bank trust department.

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of the District's investment in a single issuer of securities. When investments are concentrated in one issuer, this concentration presents a heightened risk of potential loss. The District's investment policy contains limitations on the amount that can be invested in any one issuer. All investments of the District were pooled with LAIF.

MCCLLOUD COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

D. Investment in External Investment Pool

The District maintains an investment in the State of California Local Agency Investment Fund (LAIF), managed by the State Treasurer. This fund is not registered with the Securities and Exchange Commission as an investment company, but is required to invest according to California State Code. The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by State Statute. At June 30, 2022, the District's investment in LAIF valued at amortized cost was \$861 and is the same as the value of the pool shares. There are no restrictions on withdrawal of funds. The total amount invested by all public agencies in LAIF on that day was \$231.6 billion. Of that amount, 98.12 percent is invested in non-derivative financial products and 1.88 percent in structured notes and asset-backed securities.

NOTE 4: CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2022, was as follows:

	Balance July 1, 2021	Additions	Adjustments/ Retirements	Balance June 30, 2022
Governmental Activities				
Capital Assets, Not Being Depreciated				
Land	\$ 183,822	\$ -	\$ -	\$ 183,822
Total Capital Assets, Not Being Depreciated	183,822	-	-	183,822
Capital Assets, Being Depreciated				
Buildings and improvements	907,740	-	(1,732)	906,008
Equipment	1,220,322	57,961	-	1,278,283
Total Capital Assets, Being Depreciated	2,128,062	57,961	(1,732)	2,184,291
Less Accumulated Depreciation For:				
Buildings and improvements	(604,868)	(20,725)	(1,222)	(626,815)
Equipment	(1,097,182)	(26,917)	1,391	(1,122,708)
Total Accumulated Depreciation	(1,702,050)	(47,642)	169	(1,749,523)
Total Capital Assets, Being Depreciated, Net	426,012	10,319	(1,563)	434,768
Governmental Activities Capital Assets, Net	\$ 609,834	\$ 10,319	(\$ 1,563)	\$ 618,590

MCCLLOUD COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

NOTE 4: CAPITAL ASSETS (CONTINUED)

	Balance July 1, 2021	Additions	Adjustments/ Retirements	Balance June 30, 2022
Business-Type Activities				
Capital Assets, Not Being Depreciated				
Land	\$ 8,350	\$ -	\$ -	\$ 8,350
Total Capital Assets, Not Being Depreciated	8,350	-	-	8,350
Capital Assets, Being Depreciated				
Improvements	6,568,240	-	-	6,568,240
Buildings and improvements	13,258,094	-	-	13,258,094
Equipment	1,327,671	-	-	1,327,671
Total Capital Assets, Being Depreciated	21,154,005	-	-	21,154,005
Less Accumulated Depreciation For:				
Improvements	(2,700,853)	(129,172)	100	(2,829,925)
Buildings and improvements	(4,875,428)	(263,943)	(1,888)	(5,141,259)
Equipment	(779,112)	(79,596)	6,115	(852,593)
Total Accumulated Depreciation	(8,355,393)	(472,711)	4,327	(8,823,777)
Total Capital Assets, Being Depreciated, Net	12,798,612	(472,711)	4,327	12,330,228
Business-Type Activities Capital Assets, Net	<u>\$ 12,806,962</u>	<u>(\$ 472,111)</u>	<u>\$ 4,327</u>	<u>\$ 12,338,578</u>

Depreciation

Depreciation expense was charged to governmental activities as follows:

General government	\$ 1,830
Public safety	25,349
Public ways and facilities	2,560
Culture and recreation	<u>17,903</u>
Total Depreciation Expense – Governmental Activities	<u>\$ 47,642</u>

Depreciation expense was charged to business-type activities as follows:

Water	\$ 160,257
Sewer	288,323
Waste	<u>24,131</u>
Total Depreciation Expense – Business-Type Activities	<u>\$ 472,711</u>

NOTE 5: INTERFUND TRANSACTIONS

Due From/To Other Funds

During the course of operations, transactions occur between funds to account for goods received or services rendered. These receivables and payables are classified as due from or due to other funds. In addition, when funds overdraw their share of pooled cash, the receivables and payables are also classified as due from or due to other funds.

MCCLLOUD COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

NOTE 5: INTERFUND TRANSACTIONS (CONTINUED)

Due From/To Other Funds (Continued)

The following are due from and due to balances as of June 30, 2022:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General fund	\$ 13,474	\$ 1,268
Fire	55,785	-
Nonmajor governmental funds	-	67,991
Total	<u>\$ 69,259</u>	<u>\$ 69,259</u>

Transfers

Transfers are indicative of funding for capital projects, lease payments or debt service and re-allocations of special revenues. The following are the interfund transfer balances as of June 30, 2022:

	<u>Transfers In</u>	<u>Transfers Out</u>
General fund	\$ 340,047	\$ -
Fire	143,005	187,212
Nonmajor governmental funds	108,515	27,202
Water	-	213,930
Sewer	-	98,614
Waste	-	64,609
Total	<u>\$ 591,567</u>	<u>\$ 591,567</u>

NOTE 6: UNEARNED REVENUES

At June 30, 2022, the components of unearned revenue were as follows:

	<u>Unearned</u>
Nonmajor governmental funds	
Services paid in advance	\$ 401
Water	
Services paid in advance	28,317
Sewer	
Services paid in advance	4,328
Waste	
Services paid in advance	<u>3,066</u>
Total	<u>\$ 36,112</u>

MCCLLOUD COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

NOTE 7: LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended June 30, 2022:

<u>Type of Indebtedness</u>	<u>Balance July 1, 2021</u>	<u>Additions</u>	<u>Adjustments/ Retirements</u>	<u>Balance June 30, 2022</u>	<u>Amounts Due Within One Year</u>
Governmental Activities					
Compensated absences	\$ 24,708	\$ 9,548	(\$ 24,007)	\$ 10,249	\$ 8,199
Line of credit	-	51,000	-	51,000	-
Total Governmental Activities	<u>\$ 24,708</u>	<u>\$ 60,548</u>	<u>(\$ 24,007)</u>	<u>\$ 61,249</u>	<u>\$ 8,199</u>
Business-Type Activities					
Direct borrowing loans payable	\$ 931,404	\$ 930,000	(\$ 1,010,071)	\$ 851,333	\$ 138,055
Total Business-Type Activities	<u>\$ 931,404</u>	<u>\$ 930,000</u>	<u>(\$ 1,010,071)</u>	<u>\$ 851,333</u>	<u>\$ 138,055</u>

Compensated absences are generally liquidated by the fund where the accrued liability occurred.

Line of Credit

The District received funds from a line of credit with Five Star Bank for short-term cash flow requirements. Interest of prime + 1 percent is payable monthly and the District plans to pay off the outstanding balance by June 30, 2023.

Individual issues of debt payable outstanding at June 30, 2022, are as follows:

Business-Type Activities

Loans from Direct Borrowings:

Five Star Bank loan, dated October 28, 2021, in the amount of \$600,000, payable in monthly installments of \$4,231, with an interest rate of 3.25%, and maturity on November 1, 2036. The loan proceeds were used to refinance the United States Department of Agriculture sewer replacement project. \$ 581,936

Five Star Bank loan, dated October 28, 2021, in the amount of \$100,000, payable in monthly installments of \$4,237, with an interest rate of 1.58%, and maturity on November 1, 2023. The loan proceeds were used to refinance the State of California, State Water Resources Control Board sewer replacement project. 71,173

Five Star Bank loan, dated October 28, 2021, in the amount of \$230,000, with an interest rate of 3.00%, and maturity on November 1, 2025. The loan proceeds were used to refinance the Navistar Capital loans for two refuse trucks. 198,224

Total Loans from Direct Borrowings 851,333

Total Business-Type Activities \$ 851,333

MCCLLOUD COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

NOTE 7: LONG-TERM LIABILITIES (CONTINUED)

Following is a schedule of debt payment requirements to maturity for long-term debt, excluding compensated absences that have indefinite maturities.

Business-Type Activities

Year Ended June 30	Loans from Direct Borrowings		
	Principal	Interest	Totals
2023	\$ 138,055	\$ 24,725	\$ 162,780
2024	111,825	21,295	133,120
2025	93,665	18,269	111,934
2026	60,695	15,562	76,257
2027	36,589	14,184	50,773
2028-2032	202,084	51,782	253,866
2033-2037	208,420	15,829	224,249
Total	\$ 851,333	\$ 161,646	\$ 1,012,979

NOTE 8: NET POSITION

The government-wide and proprietary fund financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

- **Net investment in capital assets** - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- **Restricted net position** - consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. These principally include restrictions for capital projects, debt service requirements and other special revenue fund purposes.
- **Unrestricted net position** - all other net position that does not meet the definition of “restricted” or “net investment in capital assets”.

Net Position Flow Assumption

When a government funds outlays for a particular purpose from both restricted and unrestricted resources, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted net position are available, it is considered that restricted resources are used first, followed by the unrestricted resources.

MCCLLOUD COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

NOTE 9: FUND BALANCES

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. Fund balance for governmental funds can be made up of the following:

- **Nonspendable fund balance** - amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example: inventories and prepaid amounts.
- **Restricted fund balance** - amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.
- **Committed fund balance** - amounts that can only be used for the specific purposes determined by formal action of the District’s highest level of decision-making authority. The Board of Directors is the highest level of decision-making authority for the District that can, by Board action, commit fund balance. Once adopted, the limitation imposed remains in place until a similar action is taken to remove or revise the limitation. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.
- **Assigned fund balance** - amounts that are constrained by the District’s intent to be used for specific purposes. The intent can be established at either the highest level of decision-making, or by a body or an official designated for that purpose.
- **Unassigned fund balance** - the residual classification for the District’s General fund that includes all amounts not contained in the other classifications. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

MCCLLOUD COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

NOTE 9: FUND BALANCES (CONTINUED)

The fund balances for all major and nonmajor governmental funds as of June 30, 2022, were distributed as follows:

	General Fund	Fire	Elk Springhouse Grant	Other Governmental Funds	Totals
Nonspendable:					
Prepaid costs	\$ 2,807	\$ 1,114	\$ -	\$ -	\$ 3,921
Subtotal	2,807	1,114	-	-	3,921
Restricted for:					
Fire	-	702,600	-	-	702,600
Alleys	-	-	-	207,313	207,313
Parks	-	-	-	132,444	132,444
Park Old Court House	-	-	-	2,998	2,998
Library	-	-	-	7,947	7,947
Elk Springhouse Project	-	-	-	45,699	45,699
Elk Springhouse Grant	-	-	203,169	-	203,169
Subtotal	-	702,600	203,169	396,401	1,302,170
Unassigned	447,239	-	-	(67,823)	380,890
Total	\$ 450,046	\$ 703,714	\$ 203,169	\$ 328,578	\$ 1,686,981

Fund Balance Flow Assumption

When a government funds outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance), a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted fund balance are available, it is considered that restricted fund balance is depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balance Policy

The Board of Directors has adopted a fund balance policy for financial statement reporting. The policy establishes procedures for reporting fund balance classifications. The policy also provides for a measure of financial protection for the District against unforeseen circumstances and to comply with GASB Statement No. 54.

MCCLLOUD COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

NOTE 10: PENSION PLAN

A. General Information about the Pension Plan

Plan Description

All qualified permanent and probationary employees are eligible to participate in the District's separate Safety and Miscellaneous (all other) Employee Pension Plan, a cost-sharing multiple employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plan are established by State statute and District resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Effective January 1, 2013, the District added retirement tiers for the Miscellaneous and Safety Rate Tiers for new employees as required under the Public Employee Pension Reform Act (PEPRA). New employees hired on or after January 1, 2013 will be subject to new, lower pension formulas, caps on pensionable income levels and new definitions of pensionable income. In addition, new employees will be required to contribute half of the total normal cost of the pension benefit unless impaired by an existing Memorandum of Understanding. The cumulative effect of these PEPRA changes will ultimately reduce the District's retirement costs.

Summary of Rate Tiers and Eligible Participants

Open for New Enrollment Miscellaneous PEPRA Safety PEPRA	Miscellaneous members hired on or after January 1, 2013 Safety members hired on or after January 1, 2013
Closed to New Enrollment Miscellaneous Tier Safety	Miscellaneous members hired before January 1, 2013 Safety members hired before January 1, 2013

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 (age 52 for Miscellaneous Plan members if membership date is on or after January 1, 2013) with statutorily reduced benefits. Retirement benefits are paid monthly for life. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

Each Rate Tier's specific provisions and benefits in effect at June 30, 2022, are summarized as follows:

	<u>Benefit Formula</u>	<u>Retirement Age</u>	<u>Monthly Benefits as a % of Eligible Compensation</u>
Miscellaneous	2.0% @ 60	50 - 60	1.092% to 2.418%
Miscellaneous PEPRA	2.0% @ 62	52 - 62	1.000% to 2.500%
Safety	0.5% @ 55	50	1.783% to 2.500%

MCCLLOUD COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

NOTE 10: PENSION PLAN (CONTINUED)

A. General Information about the Pension Plan (Continued)

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for all Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

	<u>Employer Contribution Rates</u>	<u>Employee Contribution Rates</u>	<u>Employer Paid Member Contribution Rates</u>
Miscellaneous	8.650%	7.000%	0.000%
Miscellaneous PEPRRA	7.590%	6.750%	0.000%
Safety	0.000%	0.000%	0.000%

For the year ended June 30, 2022, the contributions recognized as part of pension expense for the Plan was as follows:

	<u>Contributions-Employer</u>	<u>Contributions-Employee (Paid by Employer)</u>
Miscellaneous	\$ 59,997	\$ -
Safety	1,026	-

B. Pension Liability, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pension

The District's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2021 and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

The District's proportionate share of the net pension liability for the Plan as of June 30, 2021 and 2022 was as follows:

	<u>Proportion June 30, 2021</u>	<u>Proportion June 30, 2022</u>	<u>Change- Increase (Decrease)</u>
Miscellaneous	0.01522%	0.02028%	0.00506%
Safety	0.00005%	0.00007%	0.00002%

MCCLLOUD COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

NOTE 10: PENSION PLAN (CONTINUED)

B. Pension Liability, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pension (Continued)

As of June 30, 2022, the District reported a net pension liability for its proportionate share of the net pension liability of the Plan as follows:

	<u>Proportionate Share of Net Pension Liability</u>
Miscellaneous	\$ 385,088
Safety	<u>2,270</u>
Total Net Pension Liability	<u>\$ 387,358</u>

For the year ended June 30, 2022, the District recognized pension expense of \$155,385. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to the measurement date	\$ 70,892	\$ -
Difference between expected and actual experience	43,571	-
Difference between projected and actual earnings on pension plan investments	-	(337,513)
Differences between employer contributions and proportionate share of contributions.	1,667	(45,532)
Change in employer's proportions	<u>25,730</u>	<u>(1,672)</u>
Total	<u>\$ 141,860</u>	<u>(\$ 384,717)</u>

\$70,892 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ended June 30</u>	
2023	(\$ 69,891)
2024	(72,272)
2025	(78,316)
2026	(93,270)
Thereafter	<u>-</u>
Total	<u>(\$ 313,749)</u>

MC CLOUD COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

NOTE 10: PENSION PLAN (CONTINUED)

B. Pension Liability, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pension (Continued)

Actuarial Assumptions

The total pension liability in the June 30, 2020 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Investment Rate of Return	7.15%
Inflation	2.50%
Salary Increases	Varies by entry-age and service
Mortality Rate Table	Derived using CalPERS' membership data for all funds
Post-Retirement Benefit Increase	Contract COLA up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies

The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90 percent of scale MP 2016. For more details on this table, please refer to the December 2017 Experience Study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

Discount Rate

The discount rate used to measure the total pension liability was 7.15 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical and forecasted information for all of the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

MCCLLOUD COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

NOTE 10: PENSION PLAN (CONTINUED)

B. Pension Liability, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pension (Continued)

Long-Term Expected Rate of Return (Continued)

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Asset Class	Assumed Asset Allocation	Real Return Years 1-10(a)	Real Return Years 11+(b)
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Assets	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	-0.92%
Total	100.0%		

(a) An expected inflation of 2.00% used for this period

(b) An expected inflation of 2.92% used for this period

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net pension liability for each Rate Tier as of the measurement date, calculated using the discount rate for each Plan, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease 6.15%	Discount Rate 7.15%	1% Increase 8.15%
Miscellaneous	\$ 734,087	\$ 385,088	\$ 96,576
Safety	2,270	2,270	2,270

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

MCCLLOUD COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

NOTE 11: OTHER POSTEMPLOYMENT BENEFITS (OPEB)

A. General Information about the OPEB Plan

Plan Description

The District's defined benefit OPEB plan (the Plan) provides OPEB for all permanent full-time general and public safety employees of the District. The Plan is an agent multiple-employer defined benefit plan administered by the California Public Employees' Retirement System (CalPERS). The Board of Directors reserves the authority to review and amend the funding policy from time to time, in order to ensure that the funding policy continues to best suit the circumstances of the District.

Benefits Provided

The District reported that medical coverage is available to retirees.

Medical coverage is currently provided through CalPERS as permitted under the Public Employees' Medical and Hospital Care Act (PEMHCA). Access to this coverage requires the employee to satisfy the requirements for retirement under CalPERS, i.e., (a) attainment of age 50 (age 52 for miscellaneous PEPRAs employees) with 5 years of State or public agency service or (b) an approved disability retirement.

The employee must begin his or her retirement (pension) benefit within 120 days of terminating employment with the District to be eligible to continue medical coverage through the District and be entitled to the benefits described below. Once eligible, coverage may be continued at the retiree's option for his or her lifetime. A surviving spouse and other eligible dependents may also continue coverage. If an eligible employee is not already enrolled in the medical plan, he or she may enroll within 60 days of retirement, during any future open enrollment period or with a qualifying life event.

Under PEMHCA, the District is required to contribute toward retiree premiums for the retiree's lifetime or until coverage is discontinued.

The District currently maintains two different PEMHCA resolutions which apply to those eligible for coverage (as described above), based on the employee's hire date:

- Retirees hired before February 1, 2018 are covered by an Unequal Contribution resolution. After a lengthy phase in period, this resolution provides for the District to pay 100% of premiums for the retiree and any eligible enrolled dependents; however, the Memoranda of Understanding between the District and its employee groups currently limit the District's contribution to \$17,122 per year.
- Retirees hired on or after February 1, 2018 are covered by a PEMHCA Vesting resolution. Under this resolution, the District's contribution toward retiree medical benefits is determined as the lesser of (a) and (b):
 - a) 100% of the medical plan premiums for the retiree and his or her eligible dependents and
 - b) The maximum monthly benefits (caps) under the vesting formula multiplied by the vesting percent. Cap amounts vary by coverage level and are adjusted annually. In 2022, the caps are \$816 (single), \$1,548 (two-party), and \$1,983 (family). The vesting percent based formula starts at 50% after 10 years of service and increases 5% per year to 100% after 20 years of service.

MCCLLOUD COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

NOTE 11: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

A. General Information about the OPEB Plan (Continued)

Benefits Provided (Continued)

The vesting percent applied to the maximum benefit amounts are as follows:

Years of Qualifying Service	Vested Percent	Years of Qualifying Service	Vested Percent
10	50%	16	80%
11	55%	17	85%
12	60%	18	90%
13	65%	19	95%
14	70%	20 or more	100%

Employees covered by the PEMHCA vesting resolution who qualify for and take an approved disability retirement are automatically 100% vested, regardless of their years of service.

Unlike retirees hired prior to February 2018, those covered by the vesting resolution who complete at least 20 years of service with the District are entitled to these subsidized medical benefits even if they terminate employment prior to reaching the earliest retirement age permitted under their retirement program.

Employees Covered by Benefit Terms

At June 30, 2022 the following plan members were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	14
Active plan members	<u>8</u>
Total	<u><u>22</u></u>

B. Net OPEB Liability

The District's net OPEB liability of \$1,265,917, was measured as of June 30, 2022, and was determined by an actuarial valuation as of June 30, 2022.

MCCLLOUD COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

NOTE 11: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

B. Net OPEB Liability (Continued)

Actuarial Assumptions and Other Inputs

The net OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	June 30, 2022
Measurement Date	Last day of the prior fiscal year (June 30, 2021)
Funding Method	Entry Age Normal Cost, level percent of pay
Asset Valuation Method	Market value of assets
Long Term Return on Assets	6.35% as of June 30, 2022 net of plan investment expenses
Discount Rate	6.35% as of June 30, 2022
Participants Valued	Only current active employees and retired participants and covered dependents are valued. No future entrants are considered in the valuation.
Salary Increase	3.00% per year; since benefits do not depend on salary, this is used to allocate the cost of benefits between service years
General Inflation Rate	2.50% per year
Healthcare cost trend rates	5.20% for 2022, to an ultimate rate of 4.00% for 2024 and later years
Mortality rates	MacLeod Watts Scale 2018 applied generationally from 2015

Demographic actuarial assumptions used in the June 30, 2022 valuation are based on the 2017 experience study of the California Public Employees Retirement System using data from 1997 to 2015, except for a different basis used to project future mortality improvements.

C. Changes in the Net OPEB Liability

The table below shows the changes in the total OPEB liability, the Plan Fiduciary Net Position (i.e., fair value of the Plan assets), and the net OPEB liability during the measurement period ending on June 30, 2022 for the District's proportionate share.

	Increases (Decreases)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) – (b)
Balances at fiscal year ending June 30, 2021	\$ 1,646,750	\$ 216,128	\$ 1,430,622
Changes during the period:			
Service cost	44,699	-	44,699
Interest cost	102,844	-	102,844
Contributions – employer	-	262,615	(262,615)
Net investment income	-	49,725	(49,725)
Benefit payments	(145,972)	(145,972)	-
Administrative expenses	-	(92)	92
Net Changes	1,571	166,276	(164,705)
Balances at fiscal year ending June 30, 2022	\$ 1,648,321	\$ 382,404	\$ 1,265,917

MCCLLOUD COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

NOTE 11: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

C. Changes in the Net OPEB Liability (Continued)

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease (5.35%)	Discount Rate (6.35%)	1% Increase (7.35%)
Net OPEB liability	\$ 1,421,097	\$ 1,265,917	\$ 1,133,347

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Trend Rates

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower or 1-percentage point higher than the current healthcare cost trend rates:

	Current Trend -1%	Current Trend	Current Trend +1%
Net OPEB Liability	\$ 1,111,252	\$ 1,265,917	\$ 1,449,909

D. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2022, the District recognized OPEB expense of (\$196,223). At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change of assumptions	\$ -	(\$ 247,266)
Difference between expected and actual experience	-	(100,136)
Difference between projected and actual earnings on investments	909	(25,834)
Total	\$ 909	(\$ 373,236)

NOTE 12: RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has joined together with other municipalities to participate in the Special District Risk Authority Management (SDRMA) for general liability, vehicle liability, and errors and omissions purposes. SDRMA is a public entity risk pool which serves as a common risk management and insurance program. The District pays an annual premium to SDRMA for its insurance coverage. The agreements with SDRMA provide that they will be self-sustaining through member premiums and will reinsure through commercial companies for excess coverage.

MC CLOUD COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

NOTE 12: RISK MANAGEMENT (CONTINUED)

There is no claims liability to be reported based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

There are no significant reductions in insurance coverage from prior years and there have been no settlements exceeding the insurance coverages for each of the past three fiscal years.

NOTE 13: OTHER INFORMATION

A. Commitments and Contingencies

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the appreciable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

B. Subsequent Events

Management has evaluated events subsequent to June 30, 2022 through XXX, 2023, the date on which the financial statements were available for issuance. Management has determined no subsequent events requiring disclosure have occurred.

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**Required Supplementary Information
(Unaudited)**

MCCLLOUD COMMUNITY SERVICES DISTRICT
Required Supplementary Information
District Pension Plan
Schedule of Proportionate Share of the Net Pension Liability
For the Year Ended June 30, 2022
Last 10 Years**

Measurement Date	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021
Miscellaneous					
Proportion of the net pension liability	0.01300%	0.01365%	0.01448%	0.01522%	0.02028%
Proportionate share of the net pension liability	\$ 512,471	\$ 514,244	\$ 579,787	\$ 642,121	\$ 385,088
Covered payroll	(a)	268,233	287,916	265,821	(a)
Proportionate share of the net pension liability as a percentage of covered payroll	(a)	191.72%	201.37%	241.56%	(a)
Plan fiduciary net position as a percentage of the total pension liability	79.89%	79.18%	76.72%	74.95%	85.43%
Safety					
Proportion of the net pension liability	0.000007%	0.000007%	0.00006%	0.00005%	0.00007%
Proportionate share of the net pension liability	\$ 4,229	\$ 4,856	\$ 3,440	\$ 3,624	\$ 2,270
Covered payroll	-	-	-	-	-
Proportionate share of the net pension liability as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	0.00%	0.00%	0.00%	0.00%	0.00%

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* The District implemented GASB 68 for the fiscal year June 30, 2018, therefore only five years are shown.
(a) information unavailable

The notes to the basic financial statements are an integral part of this statement.

MC CLOUD COMMUNITY SERVICES DISTRICT
Required Supplementary Information
District Pension Plan
Schedule of Contributions
For the Year Ended June 30, 2022
Last 10 Years*

Fiscal Year	<u>2017/2018</u>	<u>2018/2019</u>	<u>2019/2020</u>	<u>2020/2021</u>	<u>2021/2022</u>
Miscellaneous					
Contractually required contributions (actuarially determined)	\$ 11,391	\$ 20,393	\$ 28,342	\$ 33,889	\$ 66,807
Contributions in relation to the actuarially determined contributions	<u>(24,087)</u>	<u>(42,191)</u>	<u>(50,577)</u>	<u>(59,997)</u>	<u>(66,807)</u>
Contribution deficiency (excess)	<u>\$ (12,696)</u>	<u>\$ (21,798)</u>	<u>\$ (22,235)</u>	<u>\$ (26,108)</u>	<u>\$ -</u>
Covered payroll	\$ 268,233	\$ 287,916	\$ 265,821	(a)	350,506
Contributions as a percentage of covered payroll	4.25%	7.08%	10.66%	(a)	19.06%
Safety					
Contractually required contributions (actuarially determined)	\$ 1,045	\$ 1,040	\$ 1,035	\$ 1,026	\$ 4,085
Contributions in relation to the actuarially determined contributions	<u>(1,045)</u>	<u>(1,040)</u>	<u>(1,035)</u>	<u>(1,026)</u>	<u>(4,085)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ -	\$ -	\$ -	\$ -	\$ 52,485
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	7.78%

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(a) information unavailable

The notes to the basic financial statements are an integral part of this statement.

MC CLOUD COMMUNITY SERVICES DISTRICT
Required Supplementary Information
District Pension Plan
Notes to District Pension Plan
For the Year Ended June 30, 2022

NOTE 1: SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Summary of Changes of Benefits or Assumptions

Benefit Changes: None

Changes of Assumptions: None

NOTE 2: SCHEDULE OF CONTRIBUTIONS

Methods and assumptions used to determine the contribution rates were as follows:

Valuation Date	June 30, 2020
Actuarial cost method	Individual Entry Age Normal
Amortization method	Level Percentage of Payroll and Direct Rate Smoothing
Remaining amortization period	Differs by employer rate plan but no more than 30 years
Asset valuation method	Fair value
Discount rate	7.00%
Payroll Growth	2.75%
Inflation	2.50%
Salary increases	Varies based on entry age and service
Investment rate of return	7.00%

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MCCLLOUD COMMUNITY SERVICES DISTRICT
Required Supplementary Information
District OPEB Plan
Schedule of Changes in the Net OPEB Liability and Related Ratios
For the Year Ended June 30, 2022
Last 10 Years*

	<u>2017/2018</u>	<u>2018/2019</u>	<u>2019/2020</u>	<u>2020/2021</u>	<u>2021/2022</u>
Total OPEB Liability					
Service Cost	\$ 116,926	\$ 102,897	\$ 61,121	\$ 58,146	\$ 44,699
Interest	84,000	96,813	124,481	127,813	102,844
Difference between expected and actual experience	-	-	-	(159,040)	-
Changes of assumption	(266,200)	(738,374)	(33,405)	(281,894)	-
Benefit payments	(132,660)	(118,332)	(124,581)	(167,736)	(145,972)
Net Change in Total OPEB Liability	(197,934)	(656,996)	27,616	(422,711)	1,571
Total OPEB Liability - Beginning	2,896,775	2,698,841	2,041,845	2,069,461	1,646,750
Total OPEB Liability - Ending (a)	<u>\$ 2,698,841</u>	<u>\$ 2,041,845</u>	<u>\$ 2,069,461</u>	<u>\$ 1,646,750</u>	<u>\$ 1,648,321</u>
Plan Fiduciary Net Position					
Contributions - employer	\$ 132,660	\$ 118,332	\$ 234,208	\$ 265,736	\$ 262,615
Net investment income	-	-	-	8,588	49,725
Benefit payments	(132,660)	(118,332)	(124,581)	(167,736)	(145,972)
Administrative expenses	-	-	-	(87)	(92)
Net Change in Plan Fiduciary Net Position	-	-	109,627	106,501	166,276
Plan Fiduciary Net Position - Beginning	-	-	-	109,627	216,128
Plan Fiduciary Net Position - Ending (b)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 109,627</u>	<u>\$ 216,128</u>	<u>\$ 382,404</u>
Net OPEB Liability - Ending (a) - (b)	<u>\$ 2,698,841</u>	<u>\$ 2,041,845</u>	<u>\$ 1,959,834</u>	<u>\$ 1,430,622</u>	<u>\$ 1,265,917</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	5.59%	15.11%	30.21%
Covered-employee payroll	\$ 266,233	\$ 287,916	\$ 324,131	\$ 361,762	353,382
Net OPEB liability as a percentage of covered payroll	1013.71%	709.18%	604.64%	395.46%	358.23%

* The District implemented GASB 75 for the fiscal year June 30, 2018, therefore only five years are shown.

The notes to the basic financial statements are an integral part of this statement.

MCCLLOUD COMMUNITY SERVICES DISTRICT
Required Supplementary Information
District OPEB Plan
Schedule of Contributions
For the Year Ended June 30, 2022
Last 10 Years*

	<u>2017/2018</u>	<u>2018/2019</u>	<u>2019/2020</u>	<u>2020/2021</u>	<u>2021/2022</u>
Actuarially determined contributions	\$ -	\$ -	\$ 244,167	\$ 125,279	\$ 129,351
Contributions in relation to the actuarially determined contribution	-	-	(241,136)	(265,736)	(262,615)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,031</u>	<u>\$ (140,457)</u>	<u>\$ (133,264)</u>
Covered-employee payroll	\$ 266,233	\$ 287,916	\$ 324,131	\$ 361,762	353,382
Contributions as a percentage of covered payroll	0.00%	0.00%	-74.39%	-73.46%	-74.31%

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* The District implemented GASB 75 for the fiscal year June 30, 2018, therefore only five years are shown.

The notes to the basic financial statements are an integral part of this statement.

MC CLOUD COMMUNITY SERVICES DISTRICT
Required Supplementary Information
District OPEB Plan
Notes to District OPEB Plan
For the Year Ended June 30, 2022

NOTE 1: SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS

Discount Rate: For plan accounting purposes, the discount rate was changed from 6.25 percent as of June 30, 2019 to 6.35 percent as of June 30, 2022.

NOTE 2: SCHEDULE OF CONTRIBUTIONS

The actuarially determined contribution (ADC) developed for the District’s fiscal year ending June 30, 2022 was determined and presented in the June 30, 2022 Actuarial Valuation report.

Methods and Assumptions Used to Determine Contributions:

Actuarial cost method	Entry Age Normal
Amortization method	Level dollar, closed 20 years
Amortization period	19 years remain
Asset valuation method	Market value
Inflation	2.75%
Healthcare cost trend rates	5.00% in 2022, to 4.00% by 2024
Salary increases	3.00%
Retirement age	From 50 to 75
Mortality	2017 CalPERS’ Experience Study

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MCCLLOUD COMMUNITY SERVICES DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes and assessments	\$ 78,000	\$ 78,000	\$ 92,138	\$ 14,138
Use of money	942	942	908	(34)
Intergovernmental	-	-	1,170	1,170
Other revenues	-	-	6,479	6,479
Total Revenues	<u>78,942</u>	<u>78,942</u>	<u>100,695</u>	<u>21,753</u>
EXPENDITURES				
General government	820,987	821,987	458,397	363,590
Total Expenditures	<u>820,987</u>	<u>821,987</u>	<u>458,397</u>	<u>363,590</u>
Excess of Revenues Over (Under Expenditures)	(742,045)	(743,045)	(357,702)	385,343
OTHER FINANCING SOURCES (USES)				
Transfers in	820,987	821,987	340,047	(481,940)
Total Other Financing Sources (Uses)	<u>820,987</u>	<u>821,987</u>	<u>340,047</u>	<u>(481,940)</u>
Net Change in Fund Balances	78,942	78,942	(17,655)	(96,597)
Fund Balances - Beginning	<u>467,701</u>	<u>467,701</u>	<u>467,701</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 546,643</u>	<u>\$ 546,643</u>	<u>\$ 450,046</u>	<u>\$ (96,597)</u>

The notes to the basic financial statements are an integral part of this statement.

MC CLOUD COMMUNITY SERVICES DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
Fire- Major Special Revenue Fund
For the Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Taxes and assessments	\$ 123,378	\$ 123,378	\$ 124,991	\$ 1,613
Use of money	1,041	1,041	987	(54)
Intergovernmental	-	63,357	674,964	611,607
Charges for services	50,000	85,000	93,497	8,497
Other revenues	79,300	765,464	81,277	(684,187)
Total Revenues	<u>253,719</u>	<u>1,038,240</u>	<u>975,716</u>	<u>(62,524)</u>
EXPENDITURES				
Public protection	127,271	676,450	676,151	299
Capital outlay	-	-	57,961	(57,961)
Total Expenditures	<u>127,271</u>	<u>676,450</u>	<u>734,112</u>	<u>(57,662)</u>
Excess of Revenues Over (Under Expenditures)	<u>126,448</u>	<u>361,790</u>	<u>241,604</u>	<u>(120,186)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	143,005	143,005
Transfers out	(106,728)	(106,858)	(187,212)	(80,354)
Total Other Financing Sources (Uses)	<u>(106,728)</u>	<u>(106,858)</u>	<u>(44,207)</u>	<u>62,651</u>
Net Change in Fund Balances	<u>19,720</u>	<u>254,932</u>	<u>197,397</u>	<u>57,535</u>
Fund Balances - Beginning	<u>506,317</u>	<u>506,317</u>	<u>506,317</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 526,037</u>	<u>\$ 761,249</u>	<u>\$ 703,714</u>	<u>\$ 57,535</u>

The notes to the basic financial statements are an integral part of this statement.

**MCCLLOUD COMMUNITY SERVICES DISTRICT
Required Supplementary Information
Notes to Budgetary Comparison Schedules
For the Year Ended June 30, 2022**

NOTE 1: BUDGETARY BASIS OF ACCOUNTING

Formal budgetary integration is employed as a management control device during the year. The District presents a comparison of annual budget to actual results for the General fund and major special revenue fund. The amounts reported on the budgetary basis are generally on a basis consistent with accounting principles generally accepted in the United States of America (GAAP).

The following procedures are performed by the District in establishing the budgetary data reflected in the financial statements:

- (1) The Board of Directors reviews the recommended budget at regularly scheduled meetings, which are open to the public. The Board also conducts a public hearing on the recommended budget to obtain comments from interested persons.
- (2) Prior to July 1, the budget is adopted through the passage of a resolution.
- (3) From the effective date of the budget, the amounts stated therein, as recommended expenditures become appropriations. The Board of Directors may amend the budget by motion during the fiscal year.

The District does not use encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation.

NOTE 2: EXPENDITURES IN EXCESS OF APPROPRIATIONS

For the fiscal year ended June 30, 2022, the District incurred expenditures in excess of appropriations as follows:

	<u>Appropriations</u>	<u>Expenditures</u>	Excess of Expenditures Over <u>Appropriations</u>
Fire	\$ 676,450	\$ 734,112	\$ 57,662

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Combining Nonmajor Fund Financial Statements

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Nonmajor Governmental Funds

- **Special Revenue Funds**

MCCLLOUD COMMUNITY SERVICES DISTRICT
Combining Balance Sheet
Nonmajor Governmental Funds
Special Revenue Funds
June 30, 2022

	<u>Alleys</u>	<u>Lights</u>	<u>Parks</u>	<u>Park Old Court House</u>
ASSETS				
Cash and investments	\$ 204,392	\$ 6,435	\$ 124,881	\$ 2,998
Receivables:				
Accounts	3,495	1,772	-	-
Taxes	-	-	10,932	-
Total Assets	<u>\$ 207,887</u>	<u>\$ 8,207</u>	<u>\$ 135,813</u>	<u>\$ 2,998</u>
LIABILITIES				
Accounts payable	\$ 187	\$ 1,468	\$ 484	\$ -
Salaries and Benefits	121	90	2,885	-
Due to other funds	-	12,206	-	-
Unearned revenue	266	135	-	-
Total Liabilities	<u>574</u>	<u>13,899</u>	<u>3,369</u>	<u>-</u>
FUND BALANCES				
Restricted	207,313	-	132,444	2,998
Unassigned	-	(5,692)	-	-
Total Fund Balances	<u>207,313</u>	<u>(5,692)</u>	<u>132,444</u>	<u>2,998</u>
Total Liabilities and Fund Balances	<u>\$ 207,887</u>	<u>\$ 8,207</u>	<u>\$ 135,813</u>	<u>\$ 2,998</u>

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The notes to the basic financial statements are an integral part of this statement.

Library	Mud Creek Restoration	Elk Springhouse Project	Safer Grant	Totals
\$ 6,500	\$ -	\$ 45,699	\$ -	\$ 390,905
-	-	-	-	5,267
1,572	-	-	-	12,504
<u>\$ 8,072</u>	<u>\$ -</u>	<u>\$ 45,699</u>	<u>\$ -</u>	<u>\$ 408,676</u>
\$ 77	\$ -	\$ -	\$ 2,734	\$ 4,950
48	-	-	2,138	5,282
-	-	-	55,785	67,991
-	-	-	-	401
125	-	-	60,657	78,624
7,947	-	45,699	-	396,401
-	-	-	(60,657)	(66,349)
7,947	-	45,699	(60,657)	330,052
<u>\$ 8,072</u>	<u>\$ -</u>	<u>\$ 45,699</u>	<u>\$ -</u>	<u>\$ 408,676</u>

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MC CLOUD COMMUNITY SERVICES DISTRICT
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Nonmajor Governmental Funds
Special Revenue Funds
For the Year Ended June 30, 2022

	Alleys	Lights	Parks	Park Old Court House
REVENUES				
Taxes and assessments	\$ -	\$ -	\$ 47,196	\$ -
Use of money	270	1	2,516	-
Charges for services	39,110	19,363	-	-
Other revenues	170	-	100	-
Total Revenues	<u>39,550</u>	<u>19,364</u>	<u>49,812</u>	<u>-</u>
EXPENDITURES				
Current:				
General government	-	-	-	210
Public safety	-	-	-	-
Public ways and facilities	24,428	16,999	-	-
Education	-	-	-	-
Culture and recreation	-	-	44,605	-
Debt service:				
Interest and other charges	-	-	-	-
Total Expenditures	<u>24,428</u>	<u>16,999</u>	<u>44,605</u>	<u>210</u>
Excess of Revenues Over (Under Expenditures)	<u>15,122</u>	<u>2,365</u>	<u>5,207</u>	<u>(210)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(10,201)	-	(13,602)	-
Debt proceeds	-	-	-	-
Total Other Financing Sources (Uses)	<u>(10,201)</u>	<u>-</u>	<u>(13,602)</u>	<u>-</u>
Net Change in Fund Balances	4,921	2,365	(8,395)	(210)
Fund Balances - Beginning	<u>202,392</u>	<u>(8,057)</u>	<u>140,839</u>	<u>3,208</u>
Fund Balances - Ending	<u>\$ 207,313</u>	<u>\$ (5,692)</u>	<u>\$ 132,444</u>	<u>\$ 2,998</u>

The notes to the basic financial statements are an integral part of this statement.

Library	Mud Creek Restoration	Elk Springhouse Project	Safer Grant	Totals
\$ 6,786	\$ -	\$ -	\$ -	\$ 53,982
8	-	-	(1)	2,794
-	-	-	-	58,473
133	-	-	-	403
6,927	-	-	(1)	115,652
-	-	-	-	210
-	-	-	60,656	60,656
-	108,515	3,121	-	153,063
7,938	-	-	-	7,938
-	-	-	-	44,605
-	-	2,180	-	2,180
7,938	108,515	5,301	60,656	268,652
(1,011)	(108,515)	(5,301)	(60,657)	(153,000)
-	108,515	-	-	108,515
(3,399)	-	-	-	(27,202)
-	-	51,000	-	51,000
(3,399)	108,515	51,000	-	132,313
(4,410)	-	45,699	(60,657)	(20,687)
12,357	-	-	-	350,739
\$ 7,947	\$ -	\$ 45,699	\$ (60,657)	\$ 330,052

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OTHER REPORT AND SCHEDULES

- **Other Report**
- **Schedule of Findings and Recommendations**
- **Schedule of Prior Year Findings and Recommendations**
- **Management's Corrective Action Plan**

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
McCloud Community Services District
McCloud, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of McCloud Community Services District, McCloud, California (District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated XXX, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control described in the accompanying schedule of findings and recommendations, that we consider to be significant deficiencies. (2022-001, 2022-002, and 2022-003)

To the Board of Directors
McCloud Community Services District
McCloud, California

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

District's Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's responses to the findings identified in our audit and described in the accompanying management's corrective action plan. The District's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Smith & Newell CPAs
Yuba City, California
XXX, 2023

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MCCLLOUD COMMUNITY SERVICES DISTRICT
Schedule of Findings and Recommendations
For the Year Ended June 30, 2022

2022-001 Audit Adjustments (Significant Deficiency)

Criteria

Government auditing standards require independent auditors to evaluate all unadjusted misstatements of financial statements. Also, producing timely audited financial statements is more difficult when adjustments are not recorded prior to the start of the annual audit.

Condition

At the time of our audit, we noted that the financial statements as presented to us for audit contained misstatements in accounts receivable, capital assets, and related accumulated depreciation, salaries and benefits payable, revenues, and expenses that required adjustment.

Cause

The District had not reconciled and adjusted all accounts on the general ledger prior to audit fieldwork.

Effect

The financial statements as presented to us contained misstatements and required adjustments.

Questioned Cost

No questioned costs were identified as a result of our procedures.

Context

Not applicable.

Repeat Finding

This is a repeat of prior year finding 2021-001.

Recommendation

We recommend that the District reconcile all accounts so that required adjustments can be recorded prior to the start of the annual audit.

Views of Responsible Officials and Planned Corrective Action

Refer to separate Management's Corrective Action Plan for views of responsible officials and management's responses.

MCCLLOUD COMMUNITY SERVICES DISTRICT
Schedule of Findings and Recommendations
For the Year Ended June 30, 2022

2022-002 Inter-Fund Balance (Significant Deficiency)

Criteria

Inter-fund loans should be considered temporary with the intent to be repaid within one year. Borrowing should occur only when the fund receiving the money will earn sufficient income during the current fiscal year to repay the amount borrowed.

Condition

There is an outstanding inter-fund payable due to the General fund for \$13,474 from the Lights fund (\$12,206) and Payroll Clearing fund (\$1,474) that have been outstanding for more than one year.

Cause

The District does not have a policy that governs inter-fund borrowing.

Effect

Inter-fund borrowing balances have not been analyzed according to an approved policy.

Questioned Cost

No questioned costs were identified as a result of our procedures.

Context

Not applicable.

Repeat Finding

This is a repeat of prior year finding 2021-002.

Recommendation

We recommend that the District adopt a policy governing inter-fund borrowings stating the reasons inter-fund loans can be made, the maximum length of time for repayment, and repayment terms that may include interest.

Views of Responsible Officials and Planned Corrective Action

Refer to separate Management's Corrective Action Plan for views of responsible officials and management's responses.

MCCLLOUD COMMUNITY SERVICES DISTRICT
Schedule of Findings and Recommendations
For the Year Ended June 30, 2022

2022-003 Budget (Significant Deficiency)

Criteria

General Accepted Accounting Principles require that an annual budget be prepared and amended as needed for the General and special revenue funds, and that expenditures not exceed the approved budget.

Condition

For the year ended June 30, 2022, we noted that the District incurred expenditures in excess of appropriations of \$57,662 in the Fire fund.

Cause

The District did not amend its budget for changes in the estimate of expenditures for the Fire fund during the fiscal year.

Effect

Expenditures exceeded appropriations by \$57,662 in the Fire fund.

Questioned Cost

No questioned costs were identified as a result of our procedures.

Context

Not applicable.

Repeat Finding

This is not a repeat finding.

Recommendation

We recommend that the District control and monitor expenditures so that they do not exceed the approved budget. If budget revisions are required, we recommend that the District take appropriate action to amend the budget.

Views of Responsible Officials and Planned Corrective Action

Refer to separate Management's Corrective Action Plan for views of responsible officials and management's responses.

MCCLLOUD COMMUNITY SERVICES DISTRICT
Schedule of Prior Year Findings and Recommendations
For the Year Ended June 30, 2022

<u>Audit Reference</u>	<u>Status of Prior Year Audit Recommendations</u>
2021-001	<p>Audit Adjustments</p> <p>Recommendation</p> <p>We recommend that the District reconcile all accounts so that required adjustments can be recorded prior to the start of the annual audit.</p> <p>Status</p> <p>Not Implemented</p>
2021-002	<p>Inter-Fund Balance</p> <p>Recommendation</p> <p>We recommend that the District adopt a policy governing inter-fund borrowings stating the reasons inter-fund loans can be made, the maximum length of time for repayment, and repayment terms that may include interest.</p> <p>Status</p> <p>Not Implemented</p>
2021-003	<p>Budget</p> <p>Recommendation</p> <p>We recommend that the District control and monitor expenditures so that they do not exceed the approved budget. If budget revisions are required, we recommend that the District take appropriate action to amend the budget.</p> <p>Status</p> <p>Not Implemented</p>

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**MC CLOUD COMMUNITY SERVICES DISTRICT
Management's Corrective Action Plan
For the Year Ended June 30, 2022**

Finding 2022-001 Audit Adjustments (Significant Deficiency)

We recommend that the District reconcile all accounts so that required adjustments can be recorded prior to the start of the annual audit.

Management's Response:

Responsible Individual:

Corrective Action Plan:

Anticipated Completion Date:

Finding 2022-002 Inter-Fund Balance (Significant Deficiency)

We recommend that the District adopt a policy governing inter-fund borrowings stating the reasons inter-fund loans can be made, the maximum length of time for repayment, and repayment terms that may include interest.

Management's Response:

Responsible Individual:

Corrective Action Plan:

Anticipated Completion Date:

Finding 2022-003 Budget (Significant Deficiency)

We recommend that the District control and monitor expenditures so that they do not exceed the approved budget. If budget revisions are required, we recommend that the District take appropriate action to amend the budget.

Management's Response:

Responsible Individual:

Corrective Action Plan:

Anticipated Completion Date:

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